

CANADA'S

WEEKLY NEWSMAGAZINE

# Maclean's

DECEMBER 7, 1998

SPECIAL REPORT

**The bankers** convinced themselves Canadians were not going to make a fuss about their merger plans. All they had to do was make a few promises, lobby hard and lay low until Ottawa approved the deal. What went wrong? So far, just about everything.

**HOW  
THEY  
BLEW IT**



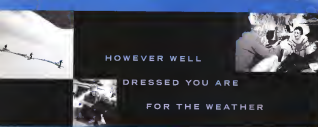
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**26 How the banks blew it** Selling the two big mergers has proved far more difficult than Canada's bankers imagined. Maclean's correspondents went behind the scenes of the banks, sales campaigns, and an exclusive opinion poll reveals the depth of public concern as decision time nears in Ottawa. But the poll suggests ways the mergers might still win approval.



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# From The Editor

## A failure to sell the deal



Canadians have a great attachment to their banks and surprising little in the financial system. That is both the good news and the bad news in the *Maclean's*/Northstar Research Partners poll featured in this week's cover package.

First, the good news: six in 10 have a favorable impression of the Canadian banking system and 75 per cent look kindly on their own institution. Fully 45 per cent of those surveyed go to a bank branch once or more per week. Only 10 per cent bank by phone and only one in 10 uses the Internet.

But familiarity can breed contempt. These loyal customers have really gotten to hate service fees—a whopping 73 per cent said they were unreasonable. And folks with negative attitudes about their bank (a quarter of those surveyed) or the system generally (40 per cent) show up prominently in the various cross-tabulations done by the pollsters: awareness

of the proposed mergers, following the debate closely and seeking information. The grumbles also predominate among those convinced there will be less competition if there are mergers (71 per cent), and those who say the mergers should not be approved as proposed (35 per cent).

One of the teller conversations prepared by Northstar demonstrates how the banks have failed to sell their case: only 30 per cent of people strongly agreed that banks must merge to compete globally, only 34 per cent that mergers are necessary for the banks to compete with foreign competitors in Canada and a mere 12 per cent that consumers would benefit (almost as many peo-

ple probably believe Elton is still alive). In contrast, 57 per cent strongly agreed that mergers will cause significant job losses, 56 per cent that a large number of branches will close and 52 per cent that service charges will rise.

The good news for the banks, such as it is, is the majority of respondents who want the government to approve the mergers with conditions (57 per cent). It is probably no coincidence that the restrictions favored by poll respondents in the survey are similar to those volunteered by the Royal Bank and Bank of Montreal (they have good pollsters, too): maintained levels of loans for small business, reduced service charges, protection of local services. Interestingly, one of the priorities cited in the *Maclean's* poll was "job protection for bank employees." The first point pledge by the two banks is identical on that issue.

What is clear is the banks are in a very, very tight spot. They have created heavy odds, despite speeds of lobbying and campaigning. Obviously, it was a mistake for the Montreal and

Royal to jump the gun and announce their merger plans before the government's MacKay task force reported on the issue—a report, ironically, that called for the reversal of Ottawa's decision-making stance against bank mergers. In any campaign, victory usually goes to the side that defines the question—and then gets the voters to say yes. There is no doubt the bankers have defined the issue. But the response, so far, is shattering. No.

*Robert Lewis*



Banking in Calgary. Negative attitudes prevail.

## Newsroom Notes:

### The inside story

This week's cover package on bank mergers is the product of a seven-week team effort directed by Managing Editor Geoffrey Stevens. While National Business Correspondent Kimberley Noble hit the road in southern Ontario with Royal Bank chairman John Cleghorn, Senior Writer Jane Nicol accompanied two Bank of Montreal executives



Noble (left), Nicol and Wilson, on the campaign trail with the big bankers.

to small-town Alberta. Between them, they interviewed all the principal bank players. Contributing Editor Mary Jaregan explored the banks of the future. Western Business Correspondent Jennifer Hunter filed from Calgary and Vancouver, and reporter Celine Milne from Toronto. Senior Writer John Geddes covered the Ottawa angles. The package also includes an exclusive poll for *Maclean's* by Northstar Research Partners. Edited by Assistant Managing Editor Peter Kopelberg and Senior Writer Warren Gargula, the package was designed by Associate Art Director Shelly Sabatini and the cover by Art Director Rick Burnett.

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## Rankings ranked

I have enjoyed reading your annual university ranking issue since I was deciding which university to attend five years ago ("Universities," *Cover*, Nov. 23). Every year, however, I question how *Macleans* can rank these universities by incorporating all the various programs into one. I would like to see an issue where you rank specific university programs, such as engineering or computer science. I feel this would be more helpful to a high-school student who knows what he or she wants to major in but doesn't know which university to attend. Saying a certain university is the best or worst sounded like a big generalization. Our school may have many weak programs with one or two exceptional programs, while another school may have many well-organized programs with a few poor exceptions. Students who base their decision on the reputation of the university as a whole might make a bad mistake.

*Paul Legere,  
Toronto*

As a recent grad from St. Francis Xavier University, it is great to see that it is moving up in the rankings. It was a great school, with great professors and a friendly atmosphere. I always knew that the Atlantic provinces universities were the best.

*Linda Dwyer  
St. John's, Nfld.*

This year's university rankings and their associated lists are fairly predictable disappointments. However, it was not the fact that my university, Calgary, scored low in its category. The attitude of my university's administration towards the rankings is what is truly saddening. Rather than accepting that the University of Calgary is a good young uni-

versity that is presently facing serious challenges due to massive government underfunding, U of C administrators have chosen to attack *Macleans*'s system of evaluation as not being relevant to the university's goals. Small class sizes, a well-stocked library and financial support for students will always be the foundations of a quality learning institution. A low score in these rankings should be taken by all stake holders as a challenge.

*Rob Smith,  
National representative,  
Students Union,  
University of Calgary*



A very impressive take on Canadian universities, but I was disappointed that one important aspect of university life was more or less ignored—the social atmosphere. Of course, there was the

four-page explanation of how to improve your sex life while on campus, and many parents who read this may decide that a community college might be the better way to go to prevent poor Johnny from getting too out of hand or infected with deadly viruses ("Campus confidential"). However, there is much, much more to campus living. I am deeply concerned about the emphasis that you have chosen to put on learning and scholarship as the only things on campus that matter. I would suggest that you include in your examination of the student body in future years a measure of the number and diversity of on-campus student activities.

*Eric Sutherland,  
Toronto*

Ann Downer Johnson's excellent report on the understanding of Canadian universities raises the issue of what it will mean to this country if we are not able to sustain excellence in the broad education provided by the liberal arts ("Measuring excellence"). What it will mean is a loss of innovative power and humane reasoning we can ill afford at a time when we are dealing with globalisation, the impacts of technology, and major ethical questions in the management of medical research and medical care, not to mention many other social issues needing attention in this very human world. As dean of one of Canada's largest faculties of arts, I am encouraged by the fact that some of the best understanding of these issues and the

## Sloan's success

I am very pleased that you wrote an article on the Haida group Sloan, the most interesting and truly innovative of Canadian pop groups ("Totally awesome," *Music*, Nov. 23). I think that a huge portion of their appeal is in their regency and kindness when dealing with fans. I have had the opportunity to meet them on a number of occasions and I don't have a single unhappy memory. They have truly stuck to their beliefs and have allowed their success to ride on the pure talent that each of the members possess.

*Sara Selkirk,  
Toronto*

Financial support for the liberal arts come from corporate leaders and employers. That kind of lacerated-by-action caring for senior care needs to be contagious among the leaders of higher education and among all of us who care for the quality of life in Canada.

*Thomas Chivers,  
Dean of arts, University of Alberta  
Edmonton*

## Private standards

In his column "When journalists become players" (*Backstage*, Nov. 16), Anthony Whalen-Smith made the point that "the CBC [is] one of the few news organizations with a formal mechanism to investigate complaints about coverage." Without venturing into the subtext of the Terry McInnis debacle, I believe it is important to recognize that Canada's private radio and television broadcasters and specialty services also have a formal mechanism, outlined in their case, namely the Canadian Broadcast Standards Council, which has investigated complaints about news coverage and apparent conflicts of interest according to its guidelines, the Radio and Television News Directors Association's Code of (Journalistic) Ethics and the Canadian Association of Broadcasters' Code of Ethics.

*Ronald J. Cohen,  
National chair,  
Canadian Broadcast Standards Council,  
Ottawa*

## Including Quebec

Interesting column by Norman Webster ("The world according to Lucien Bouchard," Nov. 23). He describes the premier very well. But if Bouchard is able to lead to "more stability, initiative, unity, peace and well-being and anything else possible,"



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## THE MAIL

my question is, when will the Rest of Canada understand and make a move to include Quebec's protection in the Constitution rather than just say words in the Calgary declaration? The death of separation in Quebec will come only with the change of the 1982 Constitution. Nothing else will change Quebecers' mind and they will keep voting for the Parti Québécois because they believe that is their only protection. Will Canada ever understand?

Bob Chalmers  
Richmond, BC

## Right, privilege, duty

Gray Jack's solution—restricting university education to an elite—is unnecessary and it would be costly to Canada as a society. "University is not a universal right," *The Road Ahead*, Nov. 20. Universities are not just places to go if you want a good job—that's why they still offer programs in languages, Latin, for example, history, literature, political science or basic sciences. Most important, these programs are best at creating citizens with the capacity to participate in a democracy. For example, those who have studied history may remind their MPs what life was like before health care, or what legitimate grievances Quebec may have. From the best to the worst schools, according to Maclean's, the difference in entry requirements is 12 percentage points. Canada can afford to fund higher education and should, for the benefit of democracy in Canada, make it available to people through out the country, of all economic and academic backgrounds (including 18-year-olds who score only 25 per cent).

John C. R. Murray  
Windsor, ON

Education is neither the right nor the privilege of Canadians; it is their duty. Student proficiency should only be used to limit enrolment to what the institution can handle. And proficiency awards a broader measure than high-school marks. The results of ex-

## The Road Ahead

### Clinical trials could be done faster

Recently, both the University of Calgary and Vancouver-based Inex Pharmaceuticals Corp. announced potentially major therapeutic advances in the fight against cancer. Each of these treatments is many years, and several millions of dollars, away from being available. Unfortunately, thousands of Canadians will not survive to benefit from these discoveries. This is not good enough.

As Maclean's reported in the Nov. 18 cover story ("Whistle-blower"), about 1,000 drugs are currently in clinical trials in North America for a wide variety of reasons. Many of these offer a high probability of a very significant improvement in the treatment of its targeted disease.

Most of the drugs entering Phase 3—large-scale human trials—will likely be approved in time, although it is at that stage that consumes almost all of the cost, and most of the time spent in getting to market. Phase 3 is primarily conducted to establish the competitive advantage of the new drug. We should insist that procedures be established as quickly as possible to minimize the time and cost of this stage.

If we were able to accept a process whereby Phase 3 trials were approved within a more expedient time frame, we could anticipate huge and almost immediate changes in the efficacy and cost of our entire health-care system. Every one of us, as a friend or family member who would be helped immensely.

Now, if the Canadian government chooses to ensure the overall drug approval process, we could imagine it

would first get input from the staff in the Health Protection Branch, and from the universities and hospitals. That input is important, provided it is received with a caveat of a potential conflict of interest. As your cover package stated, 70 per cent of the 1998 drug-review budget at HPD is coming from drug companies, and a major portion of the flexible funding available to hospitals and universities comes through administrative charges on clinical trials.

The government would ask the drug companies for input as well. Mature drug companies do quite well in this business, winning very attractive rates of return on huge drug investments. The costs of drugs bolster their arguments for long-lasting patent protection and high prices. Again, the potential for a conflict of interest must be recognized.

This all seems a merry-go-round, with the trend of drug companies, research groups and regulatory agencies riding on, while the rest of us buy their tickets.

Let us call on the federal government to envision a better way, and to put into effect procedures that will bring the tremendous benefits and risks through innovative therapeutic, technology, in a much more timely way to the people who need them, when they need them. And let us support the government in asking for creative solutions to this problem, and encourage it not to be bound by allegiance to previous paradigms.

The people who are sick are our mothers and fathers, our sisters and children. Hundreds of thousands would live to vote.

*The Road Ahead invites readers to advance specific solutions to Canada's political, social and economic problems. Qualified individuals may be rewarded as regular columnists or appear on an electronic bulletin board.*

Ronald G. MacKenzie,  
Ottawa, biotechnology sector,  
Vancouver

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Environment Editor: John G. MacKenzie

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Books Editor: John G. MacKenzie

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Contributors:

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## THE MAIL

recreational, aptitude tests, community involvement and entrepreneurial all need to be factored in when deciding to accept a student (or any worker) into a program. So let's explore our course (ling) and advising services, give people more opportunities to find who they are when they are young, and make sure people know what university is all about and where the program can take them. We shouldn't be missing the bus on who gets educated, we should be raising the bar on educating everyone.

Eric Saltsitz  
Guelph, Ont.

## Praiseworthy conduct

Thank you for the coverage "Whistle-blowers" (May 28), which provided background information on the dispute at Sick Kids' Hospital over drug tests. How fell as we Canadians often seem to be, by big governments and big industry, we must support our whistle-blowers. Would we have known the truth about the Somalia tragedy without Dr. Barry Armstrong? Likewise for scientists from Health Canada had spoken out, would the Senate contribute on agriculture and forestry have been able to get accurate background on the biotech growth bonanza? And does not the action of Dr. Nancy Olivieri and her colleagues point out crucial issues, far beyond the drug delirium and the company Apotex Inc., which cry out for consideration? We need legislation to provide direction, support and necessary legal advice for responsible whistle-blowers in Canada. I'm taking a copy of the U.S. legislation to my member of Parliament as a start. In the meantime, I say bravo to the whistle-blowers willing to speak out—now and in the future.

Bruce Bell Shorten,  
Oshawa, Ont.

Hospital for Sick Children CEO Michael Stroobolin is being disingenuous when he says that the hospital wouldn't sell its soul for \$200,000. I think it would, but it is not only the \$200,000, it is the worry of how Dr. Olivieri's ethical conduct might affect other corporate funding that has probably resulted in the hospital out backing her. Hospitals, including the Hospital for Sick Children, have sold their souls to the corporate sector for years. I have a particular interest in breastfeeding, which is "best feeding" for infants and children. Hospitals receive large "grants" from infant companies. And, of course, the formula companies expect nothing in return. Is it surprising that hospital routines no undermine breast-feeding, and despite our knowing how to help mothers breastfeed without problems for many years now, nothing is done to change the routine?

Dr. Jack Newman,  
Toronto

While I wrote some Dianne today today, hell! would not be filled with papers and graces—instead, it would be bursting with CEOs and politicians. And the ninth circle would be reserved for corporate lawyers. Dr. Olivieri would be the perfect Justice, Dianne's guide.

Jonathan Feltus  
Toronto

So, the "forces of darkness" are not confined to the Prime Minister's Office. They also appear to have a franchise in the offices of the board of trustees and administration at the Hospital for Sick Children. Maybe it is time for the public to tear up the issue and regain the ethical ground to what is, after all, a publicly funded hospital. You are to be congratulated for running this story in the face of what must have been considerable pressure from the corporate powers associated with Sick Kids' who would have preferred that it be buried, but good.

Dr. Paul Roselli,  
Toronto

## B.C. blues

Dianne Francis's right-wing rant against British Columbia's NDP government is so full of bias and propaganda that it could be a Reform party campaign pamphlet. ("The B.C. route to economic disaster," Nov. 28) For one thing the ultraconservative Fraser Institute is the source of a lot of her information. She misrepresents the institute's findings, she cherry-picks to support her case, and other research centres that show that much of British Columbia's current economic problems are due to factors beyond the government's control, namely the combination of an economy too reliant on the export of primary resources and the economic crisis in Asia, which most of British Columbia's exports go. It is also interesting to note that in her unimpeachable citations of all social democratic governments, Francis fails to mention Saskatchewan (except to say that it prohibits the use of replacement workers), where the NDP has governed effectively (well, might I add, consistently balanced budgeted) for years.

Emily Jackson,  
Vancouver, B.C.

Help, we are drowning in beautiful British Columbia, and do not treat all the rain. It's the Glen Clark government. As a lifelong resident, I find it heartbreaking to watch an inexperienced band of rangers/geeks run a once-majesty and prosperous province. Do you know the man on the head as he writes about the systematic destruction of British Columbia's economy by the NDP mafia. If only we could recall Premier Glen Clark.

Daniel D. Pines,  
Burnaby, B.C.

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What the Henkell Trocken happened to you? Please, send us your story to win a weekend in New York. Your story will be entered into a drawing and the winner will be chosen by random drawing. The prize is a weekend in New York for 2, including 2 nights accommodation dinner including the use of a Henkell Trocken bottle and more when you a complete set of rules were as "What the Henkell Trocken Bottle" PO Box 52546, Toronto, ON M5A 4W9.

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**Maclean's**

## Editorial Update

### Maclean's 1998 Honor Roll Issue

As the holiday season approaches and 1998 draws to a close, Maclean's is offering readers a special feature to tie together the closing year (in the December 20 issue the magazine will present its annual Honor Roll, a 26-page feature that celebrates 12 Canadians—or teams of Canadians—who have enriched the country with their creativity, intelligence and passion. Selected by Maclean's editorial team, with suggestions from readers, this year's honorees have achieved excellence in the worlds of arts and entertainment, business, science, community service and sports both here in Canada and on the international stage. End your year on a positive note with Maclean's 1998 Honor Roll issue.

### Canada on Ice:

#### 50 Years of Great Hockey

The best examples of hockey writing, selected from Maclean's vast archives, are now available in the new book **Canada on Ice: 50 Years of Great Hockey**. This collection of stories surveys the sport's defining moments and illuminates the careers of hockey's greatest players as well as its most notorious, rugged and colorful characters. Canada on Ice, published by Penguin Books Canada Limited, is now available in bookstores every where.



## Newsstand Notes



### Web Site News

Maclean's on the World Wide Web serves up a variety of stories from the current week's issue. Our address is <http://www.macleans.ca>

### Our Internet edition also offers:

- **Maclean's Weekly Selections** – Informative and entertaining Web stories tied to the week's top stories, selected by Yahoo! Canada and Maclean's
- **Maclean's Readers** – A selection of previous stories appeared to help readers follow current issues
- **University Rankings** – Buy annual book of university rankings, plus a directory with links to university Web sites
- **Maclean's Forum** – A place to speak out on matters of the day

## Maclean's TV

ON **CTV**  
Sundays 11:30 a.m.

Hosted by Pamela Wallin, this weekly half-hour show provides a visual look at the people and events from the pages of Maclean's. Maclean's TV is a television watch and share. Watch Maclean's TV on CTV every Sunday morning at 11:30 a.m. before Mike Duffy's Sunday Report.

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Backstage



**Anthony Wilson-Smith**

## Beyond the Milewski affair

**T**here may soon be a new name to add to the official roll of worldwide journalistic martyrs. Alongside a murdered writer in Nigeria, an Iranian under death sentence and a Ukrainian reporter who is under indefinite imprisonment, consider — CBC reporter Terry Milewski. He was recently suspended without pay for 15 days for writing an open letter in *The Globe and Mail*, without permission of his employers, in which he attacked the behavior of members of the office of Prime Minister Jean Chrétien. Because of that, the freedom-of-expression advocacy group PEN Canada voted on Nov. 15 to add Milewski's name to PEN International, so the hope that he will be added to a long list of persecuted writers who are victims of "state interference." True, Milewski's fate is not as tragic as that of people such as Ken

needer's East Germany—a totalitarian regime in which citizens were forced to spy on each other, people were arrested for no reason, bastards were walked shot and anyone trying to escape was shot. Then, a CBC columnist raised comparisons with Chrétien—an other totalitarian regime in which dissidents are imprisoned without formal cause, people spy on each other and the government has sanctioned the killing of protesters in the past. And, finally, cause the reader—the gesture by PEN Canada.

It's hard to decide which suggestion is more offensive: Canada is not East Germany, or Communist China, or Iran, or Nigeria. Milewski has not been arrested without cause, put in jail or had his life threatened; he has been slapped on the wrist, in relative terms, by his employer. The letter led to his suspension, unchallenged but unapologetic contrast for the PMO and refusal to admit error, it enhanced the argument that he therefore can

not report that story impartially. Milewski's defenders point out that, as one *Globe* columnist wrote, he "has taken shrapnel in Beirut, four gas in Jerusalem, death threats in Palestine, and a bullet through a Marfan." First, then he should know the difference between real danger and the pretend variety.

But a more disturbing aspect is the cavalier belief of many journalists that in the profession, the end justifies the means. Rick Salutin wrote in the *Globe* that "now Milewski gets where he's going in his business." In the same paper, Joe Wong wrote "I'm not shocked by what Mr. Milewski says; he's entitled to encourage his sources to talk to him. What matters is how he serves his audience." Would it ever cross those sentiments if Milewski had secretly offered the government information to better its case against the protesters? This raises two issues: Is it who decides when an audience has been well served?

There is little evidence here that journalists remain dispassionate when their own interests are threatened in fact, quite the contrary.

If the only issue was journalistic pomposity, Canadians could roll their eyes and turn their attention elsewhere. But there are more serious concerns. Such mud-pudding gives the Prime Minister an undesired break by diverting attention from his behavior at AFPEC. As well, there is the presumption that the standards of other people need not apply to journalists, who feel they answer to some unfathomable higher power. And in the rush to please themselves, those journalists diminish the efforts of others who truly live dangerously. On the other hand, the Canadian Journalists for Free Expression staged a dinner in Toronto last week to honor, among others, several journalists from Nigeria and Burma, real heroes who risk their lives against real totalitarian regimes on a daily basis. It was a useful reminder that some Canadian journalists should spend less time in front of the mirror and more out there, in the real world.

**The disturbing part is the cavalier belief of many journalists that in their profession, the end justifies the means**

As a result, Chrétien's communications director, Peter Donohue, made a formal complaint of bias to the CBC, which delivered two responses. The first was largely devoted to declaring the CBC innocent even though its internal inquiry was not yet complete. The second evaluation, the network's belief that Milewski's reporting was fair, but obviously biased "we cannot consider a reporter behaving or seeming to be offering advice" is a subject of a story. The letter did not mention that Milewski was suspended for three days.

At that point, the steady rhythm of journalistic knee-beating began: leader and underleader. A CBC radio show asked three guests—all of whom were former CBC executives—to solemnly discuss whether the "cliff" caused by Donohue's protest would discourage journalists from being aggressive in their inquiries in future. That, as supposed to discourage vibrant Milewski might have had more appropriately. Then, Milewski wrote his letter to the *Globe*, to which he likened his dilemma to that of people who lived in "Erich Ha-

Edited by D'ARCY JENKINS

*Je m'appelle* Preston

**J**acqueline how intrigued the students at a small Alberta college be it since a Montrealer, Lacoste, and his wife, Audrey Best, showed up for classes. They want the students at Jacques-Cartier, 250 km northwest of Quebec City, meet often when they look around the room to see Thomas and Sandra Manion huddling down at Centre Languequien du Collège de Jacques, a local community college, to learn French. The Manions have been teaching Canada's other official language since the summer, having selected in last trips to the immersion program whenever a break in the parliamentary schedule is

arred as Jungmann, which at no happens to be in Bushchard's office. The drawings reflect with a local flavor (a Mrs. Bushchard, and another woman in public life). Munro has been talking to others in speeches. And the leader of the Opposition is making great promises. At least, he is according to his wish. When students recently chided him for being hesitant to speak forcefully enough, Munro responded by emphatically declaring: "Yes, indeed, for confidence, an 'im confidence'." That phrase also happened to be the slogan of Bushchard's Parti Quebecois in November's Quebec election. A little local flavor rubs one off, perhaps?

Многие из нас не помнят, что такое «интернет».

**CAPITAL CONFIDENTIAL**

**A**lready last week, the Prime Minister's Office, fearful of a Part Québécois win in the Nov. 30 election, began to take defensive action. Meclaine has blamed that move on federal officials gunning for a political victory. He says the federal government is trying to slow down the pace of the separatist, federal-province talks on the so-called social union—and to make their demands. The PMO was concerned that a newly re-elected separatist govern-



**Reaction?** The PMO has taken defensive action



**Receptor:** the PMO has been identified as

tant to compensate open-out provinces or allow them to enforce standards for medicine. But it does not want to give the impression that it is blocking reform—as it is asking the other provinces to delay. The initial reaction from the provinces has been chilly and noncommittal. On fact's Conservative government, for one, is preoccupied with the prospect of a spring election—and is not likely to become involved in federal initiatives.

**EMPORIUM**

By almost any measure—sales, interest, money or hype—the NFL's Super Bowl owns the CFL's Grey Cup. But judged by final scores since the first Super Bowl in January, 1967, the Canadian game is more exciting.

	CFL	NFL
Average margin of victory	12.34 points	18.53 points
Games decided by three points or less	12	2
Games decided by one point	3	1

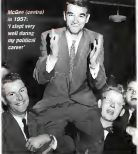
## GOLDFARB POLL

When it comes to information and entertainment, Canadians have more choices than ever before: a new national newspaper, dozens of television channels, 24-hour talk radio, the Internet and hundreds of magazines. And a large majority of Canadians—80 per cent of 1,400 adults polled—are magazine readers. Geographically speaking, westerners are bigger readers than their fellow citizens in Quebec or Atlantic Canada.

	Total	S.E.	Prostate	Oral	Bov.	Atlantic
Percentage who eye read magazines	64	17	87	66	79	75

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**McInnes (continues)**  
in 1957:  
‘I slept very  
well during  
my political  
career’



## DOUBLE TAKE

## Frank McGee

**H**e was part of John Diefenbaker's 1957 ascent to Parliament Hill, which toppled a Liberal dynasty and put the Conservatives in power for the first time in 22 years. Articulate, handsome and bushy-haired, Frank McGee was only 31, a Toronto department-store executive and Irish-Catholic whose ancestors included Thomas D'Arcy McGee, the most eloquent of the Fathers of Confederation. The voters of York/Scarborough returned Frank to the House of Commons in 1958 and again in 1962. His campaign claims were modest—"I descended myself as Frank McGee, a good MP," recalls the former politician, now 72 and living in Toronto with his wife, Marie. When Diefenbaker's majority government fell in March, 1963,

refers to the nation's violence and abortion laws—and impresses the Roman Catholic Church. He remembers being in church with his family on the Sunday before the election. "The priest got up and, with Maria and my 11- and 13-year-old daughters beside me, said anything you cryes changes in these laws is doing the work of the devil. I said to my daughters, 'We will not listen to any man of this,' and we left." McGee lost that election, too. He lost again in 1972—by four votes—and lost policies.

From 1984 to 1986, he was a member of the Security Intelligence Review Committee, the watchdog on Canada's spy service, and served as a federal citizenship court judge from 1990 to 1996. "There were some of the best and the brightest of the countries from which they came," he says. "It couldn't escape the feeling that those countries were the losers for their documents."

Earlier this year, McGee went to his doctor complaining of abdominal pain. He learned on Nov. 5 that he has terminal cancer of the lungs, bones and pancreas. "This seems to be a good time for me to tell you what my motto has been for most of my life," says McGee. "It's from D.H. Lawrence: 'Do hold yourself together and fight with a bit hot here and a bit hot there/and a comfortable feeling at night that you've let in a little and it worked for me—I sleep very well during my political career.' And it finished a legacy as well."

### BEST-SELLERS

## SECTION 14

- 1 **The Love of a Good Woman,**  
Julie Marrow (7)
- 2 **A Man in Full,**  
Tom Hanks (2)
- 3 **Home When the Wind Cools,**  
Steven Seagal (3)
- 4 **Insomnium**  
Joe Gilgun (10)
- 5 **The Strangers,**  
Michael Winter (1)
- 6 **The White House,**  
Barbara Hershey (9)
- 7 **A Simple Plan,**  
Candace Carroll (4)
- 8 **Bay of Biscuits,**  
Stephen King (7)
- 9 **The Vampire Assistant**  
Anna Torv (3)
- 10 **I Knew This Much in Time**

**NONFICTION**

9. **Times**  
*John C. Newman* (12)  
*The Sea Within*  
*Mark Elder* (13)  
*Second Berlin*  
*Michael Specter* (14)  
*The Protestants and the Pope*  
*George Washington* (15)  
**Waco Times**  
*Shirley Cummings* (16)  
*Since You Asked*  
*Patricia Miller* (17)  
**The Dallas**  
*Earl McQuinn* (18)  
*East and West*  
*Chris Poller* (19)  
**Indiana Hoosier**  
*James J. Stanchard* (20)  
**The Fort Worth**  
*Paula Moore*  
*U.S. Postcard* (21)

**Merry, hilarious  
olde England**

In his seventh novel the Booker-nominated English, English, Julian Barnes examines the nature of truth in a tabulated world, with sometimes hilarious results. The hero, tycoon Sir Jack Pitman, creates a theme park containing all things English. The problem is that visitors like the replicas better than the originals.



## Passages



**DIED:** Chrysler Canada president William Glasb, 48, of an apparent heart attack after a sailing mishap while on honeymoon with his wife, Ann, on the Caribbean island of St. Thomas. A Chicago native, Glasb was appointed president last April to replace the late Yves Landry.

**DIED:** Veteran Parti Québécois MNA Yves Blais, 67, of a heart attack while campaigning for re-election in his riding, north of Montreal. A byelection will be held on Dec. 14.

**FILED:** By Chicago Bulls forward Dennis Rodman, an application to annul his Nov. 14 marriage to former *Baywatch* star Camryn Elise. The document describes the exchange of vows, which took place in Las Vegas, as a "fread."

**INDICTED:** Three-time Olympic skier champion Alberto Tomba and his father, Franco, on fraud charges for allegedly failing to pay income taxes on \$21 million earned from 1980 to 1996, in Bolzano, Italy

**DIED:** Trailblazing black comedian George (Flip) Wilson, 64, of liver cancer, in Milpitas, Calif. The performer hosted NBC's *The Flip Wilson Show* in the early 1970s, often appearing as a female character called Georgette and coining the phrase "The devil made me do it."

**DIED:** Ad industry executive **Bob Harris**, 70, president of Harris Media Systems, a company that maintains computerized databases for advertisers, of cancer in Toronto.

**AWARDED:** To Nigerian journalists **Bayo Gnamaga** and **Bubuferi Ojeda**, jamaican writer **San San Neri**, Somali-Norwegian member **Paul Kahle**, and Ethiopian journalist **Judy Tink**, the International Press Freedom Awards by Canadian Journalists for Free Expression, in Toronto.

**DIED:** Arctic explorer Thomas Manning, 88, in Smith's Falls, Ont. Manning travelled in the North for over 30 years, starting in the 1930s, mapped several islands and wrote scholarly articles on indigenous peoples and wildlife.

Once a Liberal stronghold, Atlantic Canada is now a wasteland for the government

# SLIM PICKINGS

BY JOHN DeMONT

**H**aving a cabinet member resign in a flurry of scandal is something no prime minister relishes. But Justin Scott's decision to make it as an solicitor general last week underscored another unpleasant fact for Jean Chrétien: how the old Grit stronghold of Atlantic Canada has become a barren wasteland for the government. Tradition, after all, dictates that each province gain at least one seat at the cabinet table. By last week, Scott, who finally resigned two months after ineffectually discussing government business with a friend on an airline flight, may have become the most mocked political figure in the land. The irony was that Chrétien viewed the Fredericton MP as the best of the bunch when he had to choose a cabinet member from among the three Grits who managed to win New Brunswick seats in the June, 1997 election. MacKay, the low-key labor minister from Prince Edward Island, into the solicitor general's spot. And he turned to Claude Braid, a social services worker from Moncton, N.B., with 17 months

experience in the House, to take over the labor ministry and Scott's job as New Brunswick's political master.

Pickings are slim for the Liberals on the East Coast, after losing 22 of 32 Atlantic seats in 1997 while hanging on to a 158-seat majority in the House. Lately, they have taken heart from an August poll by Halifax-based Corporate Research Associates, which found that satisfaction with the government—which had dipped to 40 per cent before the election—now tops 62 per cent of decided Atlantic voters. But federal Liberal strategists still feel those numbers badly exaggerate their support. Their big worry is that the results of the last election represent a long-term slide away from their party, rather than simply a post-election whoop that the fiscally conservative Chrétien administration lacks the will to redress a growing sense of neglect down East. Liberals also worried Chrétien's office: "We are on the verge of writing off Atlantic Canada for generations to come."

How times have changed. For most of the century, ministers from Atlantic Canada have held a disproportionate amount of power among the federal cabinet table—securing funding for job creation schemes, ensuring every support and barrier had a well-maintained government wharf, and generally looking after the interests of their

Chrétien, Scott (right) about to announce his resignation: the most mocked political figure in the land was seen as the best of the bunch

economically strapped region. Within Pierre Trudeau's Liberal government, Cape Bretoner Allan Rock was the maritime gadabout in Nova Scotia, while Romeo LeBlond, the New Brunswick-born, fisheries minister who is now Governor General, and Donald Jamieson, a Newfoundland-er who held the External Affairs post, exerted similar influence in their provinces. When Brian Mulroney took power in 1984, he also looked his cabinet with Atlantic politicians like John Crosbie, Elmer MacKay and Bernard Valcourt.

Things were no different when Chrétien's Liberals swept into power nine years later. The 1993 election left the government with a tilt to East Coast matters. New Brunswicker David Young, who was in on it to hold the transportation, human resources and defence portfolios, David Duguid, who inherited MacKay's aquaculture in Nova Scotia by becoming the minister of public works and, later health, and Brian Tobin, the hero of the fish war with Spain before resigning as fisheries minister in 1996 to become premier of Newfoundland.

But for Atlantic Canada, Chrétien's government was far different than his 1993-endeavouring predecessor, which were so willing to pour billions into East Coast megaprojects and make-work schemes. Tobin, Duguid and, to a lesser degree, Young expended much of their energy trying to blunt the pain of federal cutbacks that hit their region particularly hard. Priority strategies now concede they may have sited East Coast waters damaged. The government's 1997 election platform contained few policies targeted to help the region, despite the fact that Duguid had repeatedly warned that Atlantic waters left their fish shouldered more than their share of restraint measures. "They didn't give us a damn thing," laments a former Grit cabinet minister from the area. "The platform was appalling. We had no hope."

Seventeen months later, in spite of the improved polls, chances of any winning the easternmost provinces that Ottawa cares still seem slim. In Nova Scotia the Liberal banner is now being carried by Cape Bretoner Niasir Goshen, the 69-year-old government leader in the Senate. He is a somewhat reluctant Liberal champion—before Chrétien asked him to become the party's political strongman in Nova Scotia, he was actually planning to lighten up his Senate duties and head south to his law firm. "There is no evidence that the government of Canada is treating Nova Scotia any less favorably than any other province," he insisted in an interview with *Atlantic*. To date, though, his major accomplishment is a rather obscure one—convincing Ottawa to upgrade Halifax International Airport.

All the same, it is generally conceded that Goshen has done more to further the interests of his home province than MacKay, the political minister from Carleton Place, Ont. Meanwhile, Newfoundland's Fred McInnis, the veteran fisheries minister, labored hard to ensure the government aimed up \$700 million last June for new East Coast fishery packages. But the driving force behind the deal was unfortunately Tobin, who personally called the Prime Minister—and actually seems to have emerged as Newfoundland's de facto regional

minister. In fact, government insiders say that both MacKay and McInnis would never have hit the back benches if their party was not defeated in Atlantic Canada by the election. The same goes for Scott, the maritime minister until last week. "In my lifetime, our influence in the federal cabinet has never been this weak," emphasizes Donald Savoie, a professor of economic development at the University of Manitoba.

That is worrisome news for an area always dependent on government help. The region fully understands that the days of federal handouts are long gone. "The priority is still job creation," stresses Tobin. "But what is needed are the kinds of incentives that will lead to long-term structural changes in the Atlantic-Canadian economy." Trouble is, the cabinet seems reluctant to funnel renewed funding into an area that turned its back on the government in the last election. These days, a minister from Atlantic Canada finds his words nearly weightless in a government with 227 of its 348 seats in Central Canada.

A case in point, for the year past by Saint John's Shipbuilding Ltd., owned by New Brunswick's Irving family, lost federal support for Canada's shipbuilding industry. Scott championed that policy, which would help keep New Brunswickers on the job. But, sources say, Ottawa South MP John Manley, the fiscally conservative industry minister, wanted no part of an arrangement that sounded like business incentives—even though his department has doted out millions to the high-technology sector in Ontario and Quebec. "There is an obvious double standard here," says one Chrétien adviser. "But the political will is not there to change things and Atlantic Canada just does not have the clout to make it happen anymore."

Scott's departure will only make that situation worse. Analysts are uncertain whether his resignation will hurt the federal party's popularity down east. But Liberal MPs from the area already know they are on their own when it comes to winning back the period of decline. The provincial parties certainly will not be of much help. In Nova Scotia, Premier Iwan MacKay is struggling to keep his Liberal minority government afloat. In New Brunswick—where an election is expected in 1999—the Liberals hold 45 of 55 seats. But they lost two-thirds of their seats in October in

the first three tests of the government's popularity since Canada Theriault took over as premier from Frank McKenna last May. In Prince Edward Island, the Grits are still running far behind the Tory government, which holds 18 of 27 seats.

Only in Newfoundland, where Tobin's tough insistence on an in-principle similar for the moment's Weisberg's Bay wharf project has shored up his popularity, are the Grits comfortably encountered, with 36 of 48 seats. "We're down close to a one less lonely, destructive little Liberal clinging on by its fingertips in the Great Atlantic," says a Grits' resident east and west in his 110th year. "We're in no position to do it, mind you, mimicking his famous rallying cry during the standoff with Spain in 1995. These days, a growing number of Liberals in Atlantic Canada like to see the hammer."



# He believed Christmas was a time to lock your doors and turn out the lights.



Unlike most 19th century business leaders, J.P. Wiser closed down his operation over the Christmas season giving each of his employees four days off, not to mention three quarts of his best whisky. A sentimental fool you say. Hardly. J.P. knew very well that a loyal, happy work force produced a

better whisky and Christmas aside, that was the most important thing.

These days, we still shut down over the holidays and we still produce a mel-low, rich, charcoal-flavoured whisky that's just as good for giving as it is for sipping. When it came to making the very best whisky, he was Wiser.



## HE WAS WISER.

## Canada NOTES

### TERRITORIAL LEADER QUILTS

Northwest Territories Government Leader Don Martin resigned his office after a scathing report from territorial councillor-in-interest copyspinner Anna Crawford found he had violated ethical guidelines seven times. Most of the violations concerned Martin's failure to excuse himself from official business dealing with property he or his wife, Gladys, owned. Martin, who has been leader since 1995, said he would fight the report in the legislature and the copys. Deputy leader Geo Arifortas will serve as acting leader until the legislature chooses a replacement.

### MORE LABRADOR WOES

Airline fire in a Labrador helicopter at CFB Greenwood in Nova Scotia injured no one, but may delay the troubled craft's return to search and rescue operations in the province. The entire fleet of 12 aging helicopters was grounded on Oct. 2 after a six-hour crash in a still-unexplained crash at Marsou, Que. While most Labradorians were in the air again three weeks later, crews at Greenwood—home base for the Marsou victims—were not scheduled to fly again until Dec. 1.

### A CONTRACT KILLER TALKS

A cult hit man, facing for his own life, confessed to three murders in exchange for the safety of a prison cell. Kenneth Murdoch's admitted crimes include the high-profile slaying of Mafia godfather Johnny Pope in 1987. Police charged two men with contracting Pope's death. According to Murdoch, real mobsters Pasquale Maritano and his brother Angelo paid him \$3,000 and some cocaine for the murder.

### A HELLS ANGEL WALKS

A Montreal jury acquitted Maurice (Moe) Boesche, leader of the ultra-lewd section of the Hells Angels biker gang, of ordering the killings of two Quebec prison guards who were each shot while driving in 1987. The murder charges against Boesche, who left the court amid shrieks of grief from other bikers, had been seen as a major police coup in countering a drug turf war between the Angels and the rival Rock Machine gang. Two judges told the jury they could convict Boesche only if they believed the Crown's chief witness, Stéphane Gagné, an admitted hit



### LATIMER GETS LIFE:

Robert Latimer faces reporters at his farm near Winkler, Sask., after learning that the Saskatchewan Court of Appeal had overturned his two-year sentence for killing his severely disabled daughter Tracy in 1993. When Latimer was convicted of second-degree murder last year, Justice Ted Noble ruled that the mandatory sentence—a minimum of 10 years in prison—was too harsh in Latimer's case and treated a constitutional exemption in justifying his annual sentencing. But the appeal court ruled that Noble "looked too much upon himself" in that decision and imposed the mandatory minimum. Latimer, who remains free on bail, said he was disappointed with the ruling and indicated he would appeal to the Supreme Court of Canada.

## Regan faces his final accuser

The last of the three complainants in the sex crimes trial of former Nova Scotia premier Gerald Regan gave a graphic account of an alleged attempted rape in 1989. The woman, now 41, testified that she was a 38-year-old employee of the provincial Liberal party when Regan, then 41 and Opposition leader, summoned her to his office for fiction. She was shocked at what she saw "He was grinning. He had exposed himself and he had an erection." Almost immediately, she said, Regan moved her on the floor while he tried to remove her underwear and, unable to do so, ejaculated on the carpet. When she returned to work the

next day, the party's executive director fired her. Last week's testimony marked the last accusation against Regan, now 78, for alleged crimes during his political career. The two other complainants had testified that in 1989, when they were 38, Regan, then a 39-year-old attorney, had assaulted them. Defense lawyer Edward Greenough has vigorously attacked the credibility of all three women. Under cross-examination, the third witness admitted to lying at least five times under oath about altering her school records. That perjury, Greenough later told reporters, shows "how unbelievable this witness is."

### APEC and the courts

Federal Court of Canada Justice Marc Nadon ordered the indefinite postponement of the long-awaited APEC inquiry. Acting on motions from George Maniatis, a lawyer for 39 RCMP officers charged of using excessive force at the November, 1997, summit in

Vancouver, Nadon ruled that the inquiry—already subjected to numerous procedural delays—should not call witnesses until the court can hear a complaint of bias against inquiry chairman Gerald Mealy. The allegations arose from a Mealy's claim that he heard Mealy tell a companion at a Saskatchewan casino that he had concerns about the actions of police

# FACING THE LAW

## A landmark decision on Pinochet sets new rules for dictators

At the Grosvenor Hotel, a chic psychiatric retreat in leafy north London, there were few doubts about the outcome. The ambulance sat waiting on the hospital's gravelled driveway engine idling, ready for the 100km dash to the Royal Air Force base at Brize Norton in Oxfordshire. Police outsiders monitored the motorcade and gawped from into noisy life, while 40 of their uniformed colleagues fanned out to keep a watchful eye on a small host of demonstrators. There were no more than 50 of them, gathered around a portable radio under a red-white-and-blue Chilean flag, and even they seemed glacially resigned to witnessing the imminent departure of the old man inside whom they all detested. But not long after 2 p.m. the mood suddenly changed. "He's not going anywhere!" the young man with the radio, Manuel Abreu-Tapias, shouted ecstatically in Spanish. "There's cheer for British justice!"

It was a cry that would soon echo around the world, and not only among those who wish to see Gen. Augusto Pinochet answer for the crimes committed during the 17 long and brutal years he reigned as military strongman of Chile. For few British law lords had much more than dismissed the immediate future of the aging former dictator last week. On the face of it, their dramatic 3 to 2 decision overturned a lower court ruling and now sent Pinochet to custody in England while Spain seeks his extradition on charges of mass murder, torture and hostage-taking. But the law lords, Britain's highest court, also delivered a landmark ruling with far-reaching implications by categorically rejecting Pinochet's claim that, as a former head of state, he enjoyed immunity for actions he carried out while in office. "International law has made plain that certain types of conduct, including torture and hostage-taking, are not acceptable conduct on the part of anyone," declared Lord Nicholas of Brinkborough, speaking for the majority. "The apex is reached in breaches of state, or even more so, as it does to everyone else. The country would make a mockery of international law."

The ruling delighted Pinochet's opponents, denounced his supporters and suggested most everyone else, not just the British and Spanish governments. Officials in both London and Madrid confidently expected the law lords to extricate them from the thorny political and diplomatic dilemma that first arose when Pinochet was arrested on Oct. 16 in response to an extradition warrant from crumpled Spanish Judge Baltasar Garçon. Until the lords delivered their verdict, as Pinochet's 63rd birthday there was good reason to

suppose that the aging dictator would be allowed to fly home aboard the Chilean air force jet waiting for him at Brize Norton. On Oct. 28, England's Lord Chief Justice, Thomas Bingham had ruled that Pinochet was protected from extradition because of his legal immunity as a former head of state. But one by one last Wednesday afternoon, the law lords rose from their red leather benches in the ornate House of Lords to solemnly deliver the majority ruling for reversal that London-based Amnesty International lawyer Geoffrey Hindman later described as "the most important case of human rights law this century."



Celebrating the law lords' decision in London, Pinochet (right), a categorical rejection of his claim that he enjoyed immunity for actions he carried out while in office

International legal experts, human rights advocates and political figures around the globe quickly concurred. In Ottawa, the UN high commissioner for human rights, Mary Robinson, described it as a "very symbolic day." At her side, Foreign Affairs Minister Lloyd Axworthy said the decision is bound to accelerate the momentum generated last July, when 189 nations backed creation of a permanent international criminal court to try crimes against humanity. "The fact that immunity was denied," he said, "is a singular decision in establishing that there is an international standard that does not prevent any person from escaping accountability."

The ruling is almost certain to intensify the global trend rejected in the host of international conventions that gave rise to the Yalta-Berlin trials in Germany at the end of the Second World War and cur-



## A MOST WANTED MAN

Key actions by authorities outside Britain against Gen. Augusto Pinochet:

**SPAIN** Judge Baltasar Garçon ruled the extradition to face charges of genocide under Judge Baltasar Garçon's 320-page warrant seeking the death or disappearance of more than 3,000 people in Chile, including dozens of Spaniards.

**FRANCE** Madrid Parliament excluded over the disappearance of five French nationals in Chile under its rule.

**SWITZERLAND** Pressing claims to extradite Pinochet for kidnapping and murder involving a Swiss-Chilean student who disappeared in 1973.

**IRELAND** Requesting extradition on the basis of secret claims by two Germans in Belgium accusing him of murder.

**GERMANY** Deciding whether to request extradition on charges of sexual and false imprisonment filed against him by three German citizens and backed by the top court.

**ITALY** Considering a request by a Chilean refugee that Pinochet face trial in Italy for genocide, kidnapping and torture, including the deaths of 31 Italians.

**SWEDEN** Examining allegations by Chileans in Sweden of murder and torture under Pinochet.

ently allow the prosecution of war criminals in Rwanda and the former Yugoslavia. Until recently, though, many of those conventions have seemed largely toothless, allowing dictators like Pinochet or Cambodia's Pol Pot to escape punishment for crimes they heaped on people. But the law lords' decision may be another sign that attitudes are changing. "What it demonstrates is that unless world principles do exist and that dictators cannot travel with impunity and that they are above the law," said Christian MP Isabel Allende, daughter of presidential Salvador Allende, who was killed in the 1973 coup that propelled Pinochet to power. The New York City-based group Human Rights Watch described the ruling as "a wake-up call to tyrants around the world who think about embarking on mass murder. They must not get away with it the old time."

Not everyone welcomed the law lords' words. In Santiago, the Chilean army's high command noted its "profound frustration, indignation and anger" while across town, at the Pinochet Foundation, supporters of the former dictator erupted in anger, threatening a visiting British television crew and later taking to the streets in a violent demonstration. The centre-left Chilean government of President Eduardo Frei, son-in-law of Pinochet, nonetheless sent Foreign Minister Jose Insulza to London and Madrid to urge the British and Spanish authorities to release the former dictator, claiming he could face charges in Chile. Pinochet was not without highly placed support in Britain either. Former prime minister, now business, Margaret Thatcher, an old ally of Pinochet's, told the government the former dictator was "old, frail and sick and on compassionate grounds should be allowed to return to Chile. I remain convinced that the national interests of both Chile and Britain would be best served by releasing him."

Finally, most senior members of Prime Minister Tony Blair's government would probably agree, given Britain's cash economic and military ties (its with a nation that sits out door to door adversity Argentina). But even though Home Secretary Jack Straw does have the power to release Pinochet on compassionate grounds, few Labour MPs last week were expecting that to happen. "I'll straw tell the general of the coup," confided one Labour backbencher, "requesting immunity," the backlash from the left wing of the party would be incalculable. "I would also straw Foreign Secretary Robert Cook's much-maligned 'indefinite' foreign policy. Both Straw and Cook have their roots in Labour's left wing. Straw, in fact, first earned his reputation more than 20 years ago as a radical student leader marching in demonstrations against Latin America's military dictator, including Pinochet. The home secretary, however, has been careful to stress that he is approaching the case in a "quasi-judicial" manner."

Ultimately, Pinochet's fate rests in Straw's hands. The Spanish extradition request sits on his desk, as do extradition warrants from France, Switzerland and Belgium, and more may be coming from other European countries. Ottawa is also looking into a complaint by a Montreal man who was tortured in Chile in 1973. Given the legal complexities involved, most observers expect Straw to allow the Spanish request to proceed at Bow Street Magistrate's Court in London. Pinochet may then spend many months, perhaps as long as a year, entangled in Britain's laborious extradition procedures. The likely timing of his first court appearance is propitious: Dec. 11, one day after the 30th anniversary of the proclamation of the Universal Declaration of Human Rights. □



WORLD RUSSIA

## Mourning Galina

Assassins murder a sharp-tongued reformer

BY MALCOLM GRAY

**E**ight p.m., local time, Nov. 34. One by one the lights flicked out. Three minutes is all it took for Galina Starovikova, 41, to die. She was a sharp-tongued advocate of democracy and human rights who had made many enemies. But her shocking death on the stairwell of her St. Petersburg apartment building four days earlier profoundly shocked Russians across the political spectrum. Irina Khokhlova, like Starovikova a former cabinet minister and one of the few women politicians to achieve prominence in post-communist Russia, wiggled a common line at a funeral service that attracted thousands of mourners. She wept that violence, terrorism and contract killings had marred their way back into Russian politics. "After the murder of Galina Vasilyevna, we have woken up in a different country," said Khokhlova. "It would be good if they were to find the people who did this, but it still would not leave Galina Vasilyevna in peace. She will be at rest only when we all live in a peaceful country."

That seems unlikely given the pull between Russia's dwindling number of reformers—now largely out of power—and the Communists and nationalists who increasingly dominate

the political stage. Instead, so many Russians the killing of a woman seen as one of their few honest politicians underscored how little had been achieved under Boris Yeltsin. The Russian president's vow to personally oversee the murder investigation may especially hollow Apart from Yeltsin's clear lack of physical strength for the job, he has made similar pledges about other high-profile murders. All remain unresolved. To be sure, Yeltsin was assailed by the loss of a democrat and comrade-in-arms who helped him gain power as the Soviet Union collapsed in 1990. His aides even claimed that the stress caused by the news of Starovikova's death put him in hospital for treatment of what they described as paranoia.

That could be seen as the usual Kremlin reflex to minimize the extent of the dissent. But as a shrewd politician he had a hard and conclusive decision: current member with Chinese President Jiang Zemin last week, Nikolai Petrov, a political analyst at the Carnegie Endowment, a Moscow-based think-tank, saw only ominous signs of worsening health. "Yeltsin is very weak politically but he is a stabilizing factor," said Petrov. "But if he dies and Russia is faced to hold elections in three months, then we could be on the verge of very dangerous times."

Starovikova certainly knew the risks and challenges of trying to make Russia a more humane, democratic country. But she scoffed at any suggestion that she might

need bodyguards. She was wrong. As she and Ruslan Linkov, a 27-year-old aide, climbed the stairs to her small side flat in the center of St. Petersburg, shortly before 11 o'clock on a Friday night, a two-man team hit them, one a woman, emerged from the shadows and opened fire. Starovikova died instantly, but Linkov survived and might still provide information about the attack. Police made little progress apart from characterizing the murder as a professional-style hit.

The killing cut short a political career that began during the late 1980s when Starovikova taught alongside dissident physicist Andrei Sakharov for increased civil rights and a multiparty system in the Soviet Union. She had to watch and endure Communist deputies jeering and heckling the winner of the Nobel Peace Prize as he appeared for a more open society. Payback has come after the Soviet collapse, which she earned living helped from the still-powerful Communists by pressing unsuccessfully for the formal cleansing of their influence from the government. "If the Czech Republic and [former] East Germany can conduct their past, why not Russia?" she asked during a conversation with *Albion* in 1995.

By then, she had grown estranged from Yeltsin and soon lost her position as his principal adviser on ethnic affairs. Her passionate support for war-torn Nagorno-Karabakh, a largely Armenian enclave in the former Soviet republic of Azerbaijan, annoyed the president. That didn't stop Starovikova from harshly criticizing Yeltsin for launching a savage internal war in Chechnya in 1994. And as one of a shrinking number of liberals in the Duma, she did not flinch from attacking the nationalists and Communists for offences that ranged from corruption to anti-Semitism. "The thought of Vladimir Zhirinovskiy having influence over one of Russia's main ports in revenue enough for me to try to become governor of the St. Petersburg region," she said in another conversation earlier this year, explaining why she planned to contest that post against the fiery ultranationalist.

Her biting, well-timed phrases earned her the enmity of more tongue-tied politicians. But friends and acquaintances also remembered the warm and witty woman who liked to poke people fun at her second husband, physicist Andrei Valov—and her declared intention of running for the Russian presidency. The couple, who married in May, first met at a conference in the United States in 1995. "I know why you came up to me," she told him in his first meeting. "You wanted to marry a scientist." Her chances of winning were slight, but her presence would certainly have bolstered that contest. Now, even that possibility has vanished as Russia reverts to an older, darker tradition: killing its best and brightest. □



ANDREW PHILLIPS Huntsville, Tex.

## A deathly silence

Tired of the same-old, same-old when it comes to family vacations? Done the Disney thing? Big Apple, leave you cold? Then come to scenic Huntsville, Tex., and take the Prison Driving Tour. Gaze upon the imposing inmate brick walls that gave the old Walls Unit its name—and conceal the basic execution chamber in the United States. Scroll through the Byrd Memorial Cemetery on the astonishingly named Proctorwood Hill and watch inmates dig fresh graves for their fellow prisoners. Drop in to the Texas Prison Museum and see the original Old Spadey—the electric chair in which 362 condemned men breathed their last.

No joke. The Huntsville Tourism Council, clearly following the principle that you play to your strengths, promotes the driving tour with a

handsome brochure that includes a helpful map and a bit of "fun trivia." One question reads: "A nine-year-old boy sentenced in 1884 for robbery," Harmonia, an hour up Interstate 45 from Houston, has been a prison town since Texas built its first permanent penitentiary there in 1846. The prison system is by far the biggest employer: 7,000 at Huntsville's 35,000 people work in it, watching over 7,600 inmates. There's no escaping the system, especially since The Walls, as it's known, is smack-dab in the middle of town. Attractive clapboard houses surrounded by white picket fences are right across the street. The death house, the room that gives Huntsville its notoriety, is barely a three-minute stroll from the central square with its guacho and cowboy stores like Folio's Cosecuel and the Just a Thought gift shop. Pleasantville meets the Chamber of Horrors.

Next week—on Thursday, Dec. 18—Stanley Frazier from Jasper, Ala., is scheduled to become the 22nd person put to death at The Walls this year for his involvement in the 1975 murder of an elderly widow. His grandmother and friends are refusing support for him. The federal government is backing a request for clemency in the U.S. Supreme Court. Foreign Affairs Minister Lloyd Austin planned to raise Frazier's case personally with Secretary of State Madeleine Albright in Washington early this week. A delegation of human rights activists will go to Texas at the end of the week to plead with Gov. George W. Bush. Given the United Nations' high commendation for human rights, Mary Robinson, put her ear to us, saying she is "very concerned" that Frazier's rights may have been violated.

In Texas, though, there is a deafening silence. These days, an execution has to have a special bait to attract much attention. When Karl Paye Tucker, the first woman to be executed since the United States reinstated capital punishment in 1973, was put to death at The Walls last February, that was big news. The execution of a notorious serial killer named Kenneth McDuff in mid-November drew

some attention. But the others who have been dispatched this year with a lethal injection of chemicals turn a blurry of the obscure. A handful of death penalty opponents may or may not show up outside The Walls, depending on the weather, to offer a token protest. It is the same in other states where executions have become more of a less routine. In Virginia, which runs right behind Texas in numbers killed, the local papers tend to report them in a few paragraphs on page D62. In other states, positions to witness executions go begging for lack of interest.

So there is no special reason to think that Frazier's case—involving as it does a particularly brutal murder of an elderly, respected lady in the course of a bungled robbery—will get any special legislative consideration. His supporters and the Canadian government are making much of the fact that his rights to consider assistance under the Vienna Convention were violated. As a Canadian citizen, Frazier should have been put in touch with Canadian authorities who could, they say, have helped him mount a more effective legal defense and at least avoid the death penalty. Instead, he was set on death row for 15 years before Canada was told he was there.

That likely won't cut much mustard in Texas. Appellate courts there have already agreed that Frazier's Vienna Convention rights were violated. But they have also ruled it doesn't matter—since from a Canadian counsel would not have affected the outcome of his trials in 1977 and 1981. And playing the

Canadian card sounds too much like special pleading. "The last thing, the absolutely last thing, on my mind was that I was trying a Canadian," says Dallas DA, the prosecutor who got Frazier convicted at both trials. "It was the crime, not the person." Larry Fitzgerald, spokesman for the Texas prison system, wonders not least: "Are we going to get to a situation where a Canadian can come to Texas and commit a capital crime and not be treated just like anyone else?" Uh, probably not.

For Frazier's defenders, of course, being treated "just like anyone else" in Texas is a big part of the problem. The state executes more people than any other—a third of the approximately 680 put to death since the United States brought back the death penalty. APDs in Texas are, if anything, piling together. If Frazier had been executed under current rules, he would not have had 25 years of prison life while his appeals made their way through the courts—more like five or six. And Bush has made his feelings clear. His office issued a statement last week saying the governor "assures the people of Canada" that Frazier has received the full protection of the law. Translation: don't hold your breath for Stan Frazier. And that truly is no joke.

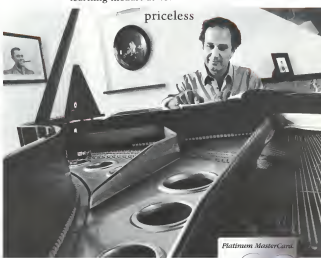
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World NOTES



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THE WORLD IS FLAT.

### CANADA AND THE POOR

Canadian officials were asked a barrage of embarrassing questions by a UN committee in Geneva reviewing Canada's adherence to the 1978 International Covenant on Economic, Social and Cultural Rights. Why do Canadian governments allow "subhuman" conditions to persist on First Nations reserves? asked one member, while another wondered why the number of children living in poverty was increasing. Canadian anti-poverty groups welcomed the criticism, claiming Ottawa was not living up to its commitments. Committee members also slammed the officials for giving vague answers some said amounted to stonewalling.

### BRITISH BEEF IS BACK

The European Union voted to end a worldwide ban on British beef exports, which were blocked in 1986 after scientists reported that mad cow disease could spread to humans. The EU accepted London's declaration that the neurological disease, which forced British farmers to slaughter 2.7 million head of cattle, is now under control.

### A CONGO CEASEFIRE

UN Secretary General Kofi Annan said countries at war in Congo had agreed to a ceasefire to help and fighting between rebels and President Laurent Kabila's regime. The Paris talks included rebel leaders Uganda and Rwanda and four nations supporting Kabila.

### HISTORY HAUNTS TALKS

Japan and China failed to close the book on their bitter wartime past of the 1930s and '40s. The two argued intensely over a joint statement meant to celebrate the first visit to Japan by a Chinese head of state in the declaration, which Chinese President Jiang Zemin and Japanese Prime Minister Keizo Obuchi did not even sign. Japan expressed only "deep remorse" over its actions in China during the war.

### ONTARIO TEEN TORTURED

Rebecca Middleton, a 17-year-old from Belleville, Ont., who was murdered on a lonely beach in Bermuda in 1996, was probably tortured before she died, a court here was told. Judge Smith, a 69-year-old local man, is charged with her killing. The jury was told her body had 17 stab wounds and other injuries, suggesting she was tortured as a second unknown person held her down.



Kevorkian (right) with Erik Wallace of 60 Minutes: 'Dr. Death'

## Murder or mercy?

Jack Kevorkian, the retired Detroit pathologist who has been dubbed "Dr. Death" for helping assemble ill people commit suicide, was charged with first-degree murder. This time, prosecutors have hard evidence against Kevorkian, 70, who videotaped himself injecting what authorities believe was a lethal dose of potassium chloride into Thomas Youk, 53, who suffered from Lou Gehrig's disease. The incident took place at the victim's home near Detroit on Sept. 17. Kevorkian, who said

acquired each face because there were no lines between assisted suicides. Youk was diagnosed with Kevorkian's assistance to end his life, but this time the legal outcome may be different. Instead of instructing the victim, Kevorkian actually administered the lethal substance. He vowed to defend himself, but lawyers helped gain his release. Said a disgraced Carol Leigh, an activist with the assisted suicide opponents' Nat. Dead Yet: "It's the first time a serial killer has been let out on bond."

### DRIFTING

## Of Ireland and lords

British Prime Minister Tony Blair set out historic landmarks in speeches to different lords and ladies. Picking incidents, disagreements over the Northern Ireland peace

agreement, Blair traveled to Dublin where he became the first British prime minister to address the Irish parliament since the last Republic won independence from Britain in 1927. "I am asking everyone to declare the victory of peace," Blair said to standing lords that symbolized the new warmth in relations between the two once-bitterly

divided countries. Earlier, in the British parliament's speech from the throne, the Queen delivered Blair's pledge to boost the second round of the voting process to vote in the House of Lords. The Conservative opposition promised a "brave, difficult" until Blair insists how he intends to reform the unelected upper house.

## An impeachment vote looms

Bill Clinton stuck to his guns as his impeachment battle with the U.S. House of Representatives—once again demanding history about his liaison with her over White House intern Monica Lewinsky. In responses to 81 questions from the House Judiciary Committee, the President denied that he engaged Lewinsky in a sexual relationship and repeated his claim that he did

not have "sexual relations" with her—saying he had casual sexual intercourse. Still, he acknowledged that "sexual" like that raised people about the relationship.

Clinton sent his responses to the committee staff members before drafting three articles of impeachment. They allege that he committed perjury, obstructed justice and abused the power of his office.

The committee is expected to vote next week on whether to approve any of those articles and recommend that the full House impeach the President. At the same time, pressure to convict Clinton, rather than impeach him, grew among both Republicans and Democrats. And Vice President Al Gore put good news. Attorney General Janet Reno decided not to appoint an independent counsel to investigate his campaign fundraising activities.



## Business

# How the Banks BLEW IT

BY KIMBERLEY NOBLE

It was without a doubt, the bluest benchmark ever dropped on Bay Street. Bane? Two of Canada's largest banks proclaimed their urge to merge. Jaws fell like Asian carrels. And then? Kaboom! Two more banks decided to join them. Merger mania was one thing. Not even the most brilliant Bay Street visionary had the slightest inkling that it would spread as far as Royal Bank of Canada, Bank of Montreal, Toronto Dominion Bank and Canadian Imperial Bank of Commerce. What had looked, in January, to be one of the world's most stable and successful banking systems was, by the end of April, never going to be the same. And they thought we wouldn't notice.

The way the bank's strategy thinkers saw it, Canadians were not going to make that much of a fuss. Well, reduced and financially comfortable, the majority would have nothing to fear from the prospect of one or two fewer banks. They would accept the most explosive and most expansive corporate mergers of the 1990s without a blink. Af-

ter all, as the bankers keep saying, this is a nation of sophisticated consumers. We lead the planet in our love of automated teller machines. We bank by phone. Growing numbers are embracing Internet banking. Thirty-eight per cent of Canadian households own an auto bank, assets are supposed to be undisturbed that. These days, a chartered bank, like any multinational corporation, needs to be big to survive.

A disgruntled minority, the banking critics who are forever yapping about service charges, excessive salaries and branch closures, might be distressed. But the rest could be controlled too, as the banks thought, to accept mergers as yet another shift in the changing economic landscape. All the bankers had to do was break the news, make a few promises, lobby like hell behind the scenes and by law until the dust settled.

What went wrong? So far, just about everything. Take the reaction of the Weston and District chapter of the Canadian Federation of University Women—a group of conventional suburban consumers who

the big banks could have reasonably expected to embrace. That the proposed marriage between the Royal Bank and the Bank of Montreal last January left them too flummoxed to know what to think. When Toronto Dominion Bank and CIBC followed suit in mid-April, the group decided to get to the bottom of its issue, not fast. "The initial committee, who is going to benefit?" says legal secretary and former member Mary Louise Abboune. Worried that the only benefits would be the bond that show up on the banks' bottom lines, Abboune and four friends called an emergency meeting at their bay chapter, located in Toronto's leafy west end.

For two months last spring, the self-proclaimed policy researchers—aged 65 to 75—read everything they could about banking legislation. They studied and then reported on topics ranging from small business lending to the history of financial services regulation, and analyzed corporate concentrations in the Canadian and foreign banking sectors. The resolution—presented to the group's annual meeting in July and passed with a speed and lack of debate that left its authors shaking their nicely coiffed heads—asked the national organization's members to urge Prime Minister Jean Chrétien and Finance Minister Paul Martin to make sure their decision is in the best interests of the country, not just the banks. "We are not radicals," says Phyllis Baldwin, a former Tandy look-alike with a fierce glint in her eye. "We are sensible. And we did not think mergers would be a good thing, from our common sense point of view."

## It was a shock to the politicians and the public when four banks declared they would merge

The resolution turned 18,000 self-conscious women from every province into anti-merger advocates. And it also turned up what so many people have come to feel this year as they confront the prospect of disappearing banks: surprise over the bankers' moves, concern about the impact on the service and availability of bank services and, perhaps most interesting of all, a sense that what happens to banks—or rather, what changes John Cleghorn, Matthew Barrett, Charles Haffie and Al Flood are allowed to do with our banks—is about something larger than service charges or branch closures. The Bank of Montreal's Barrett has been on the radical thinkers circuit, telling audiences that the merger debate is really about what kind of Canada we want to live in our children. It's really about what kind of rights—but also in the way he talks. The mothers stand, sources have told. Abboune's Barrett may well be asked to step down by his bank's directors if the mergers are not approved, and Cleghorn could be in trouble at the Royal, too.

Hard as they try, the four pro-merger banks have had extraordinary trouble finding any anyone at all that resists with passion, or their elected officials. The dominance by Bank of Nova Scotia chairman Peter Godwin (whose lack of a primary bank has caused him to dub him the "lonely Maytag resistance" of the banking fraternity) is

campaign against the mergers has split all the large corporate associations that depend on the chartered banks, from the Canadian Bankers' Association to the Business Council on National Issues, and people like the university women, ridder in Godwin's opposition, have transformed a bloodless discussion about regulation and organizational synergies into a grassroots issue that has taken some of the country's slickest spin doctors by surprise. Says a member of one merger team: "They never feared it would come down to that much scrutiny, that the underlying glass would be so strong."

The mergers were supposed to be in the bag by this Christmas. Yet here are Canada's top bankers, \$25 million into the sales job of their careers and instead of catching on, their career earnings are landing the way of Sam Campbell and the Charlottetown constitutional accord. Lesser organizations wring their hands over lawyers and consultants and go home. But Canada's bankers for all their sunny option deals and know prices, are made of sterner stuff. After 10 months of doing things the hard way—sitting, explaining, asking for understanding—the bankers are gearing up for battle. Banking Luddites and Liberal businessmen beware! They're taking Plan B. The gloves are about to come off.

Plan A: most mergers. Plan A++: greater through the banks say they will provide more and better jobs. Greater customer service, greater self-human contact and lower prices. The Royal-Montreal promise to

double the amount of money the two banks currently set aside for small and medium-sized business, to \$40 billion by the year 2004. They will reduce service fees by at least 10 per cent, increase staffed outlets from 2,500 to 3,000, and ensure more face-to-face banking. Bank spokesmen have gone so far as to call these "blood promises". Royal Bank chairman John Chapman is willing to go so far as to say that if he does not love his plan. Chapman smiles grimly when that is mentioned—everyone knows PR guys get carried away. But the message remains: if the mergers are approved, the banks will be profitable and happy. Customers will share in their good fortune.

Plan B, unveiled gradually over the past few months, outlines what happens if the government rejects the mergers. The bankers refer to it privately as the "switch to earth" policy. They know they are not making threats. They are merely pointing out their without mergers, Canada's banks cannot afford to maintain an expensive and inefficient branch network or continue to provide every customer with full banking services. Customers who buy lucrative services will continue to find bankers at their beck and call. The ones who like to stand in line as they can talk to tellers about their bills will be shown how to use an ATM. "If you want to cash a cheque," says a senior executive at one of the four pro-merger banks, "you can stick it into a machine."

From a banker's point of view, this is a perfectly reasonable choice to lay before Canadian consumers. "People think teller services are a God-given right," the banker says. "It costs the bank \$2.50 a teller in his province, he seems amazingly honest at the stream of money wadded on personal interaction. The rest of the branch system drives bankers to distraction, they grumble about it for hours. A big reason for bank mergers is to have larger

## SIZE MATTERS

How the banks compare

	ASSETS* (\$bilions)	PROFITS* (\$bilions)	EMPLOYEES	BRANCHES	ATMs
ROYAL BANK	\$274.6	\$1.82	42,946	1,506	6,271
CIBC	\$238**	\$1.55**	47,362	1,363	3,481
BANK OF MONTREAL	\$237.6	\$1.39	33,400	1,236	2,969
TD BANK	\$484.6	\$1.21	28,001†	921†	2,630†

\*As of Dec. 1, 1998. \*\*As of Dec. 31, 1997. †2000 figures.

SOURCE: ROYAL BANK, CIBC, BANK OF MONTREAL, TD BANK



technology budgets so they can load up on leading-edge software designed to identify which customers make the bank money and which do not. The CIBC calls it "profit banking" and the Royal calls it "targeted selling," but it comes down to the same thing: passing the high-margin customers a very true, while punishing people who cost the bank money out into the ATM kiosk—or out the door.

Customers find this painful—especially when they see that the banks are making money hand over fist. The three that have reported 1998 profits have all posted a more than \$1 billion, a number that is roughly as the early 1990s was considered an outrageous profit to be taken. "The Royal, the most profitable company in Canada, reported a record \$1.6 billion, TD Bank \$1.1 billion and, despite adverse warnings about the adverse impact of forested meadows, the Bank of Montreal earned a record \$1.35 billion. CIBC is scheduled to report its earnings this week."

Is it any wonder that, as revealed in a new Maclean's poll, 51 per cent of Canadians believe bank mergers are motivated by profit? Is it any wonder that half oppose the mergers, as from one-third last spring? The survey, conducted by Toronto-based NorthStar Research Partners, found that only 19 per cent of Canadians are in favor of the deals, down from one-third in past months. Thirty-two per cent remain neutral or uncertain (page 39).

Politicians found that although only one in 12 Canadians is following the merger closely, 54 per cent care about the outcome. The lowest level of interest and concern can be found among young Canadians: 18 to 24 and 25 to 34. And in Quebec—because younger people don't think about banking, period, or are leading-edge, computer-literate customers, while Quebecers will be served by smaller banks as well as by co-ops, populaires, the ubiquitous equivalent to credit unions. Those who care tend to be Ontario residents, people aged 45 and up, those with a university education and incomes over \$50,000 a year. As for the reasons of the merger, bankers, the ad-men, and, of course, individuals who hate banks to begin with.

In private meetings with clients, Cleghorn

## LEADING THE YES CAMPAIGN

Royal Bank of Canada chairman John Cleghorn has been called the Clark Kent of Canadian banking. In the months after the Royal and Bank of Montreal announced their merger plans, the Canadian banking community was counting on Cleghorn to join into Superman. Cleghorn, pegged to become chairman and CEO of the giant Royal-Bank of Montreal combination, has been the person most expected to lead the campaign to Finance Minister Paul Martin and the Canadian public. Towards that end, he has been travelling across the country and back since February, talking to employees, major clients and elected officials about how the proposed merger is, above all else, good business.



**MOBILIZING OPPOSITION:** Antidomestic financial and investment banks resist their bank research

and other Royal executives have been making solid progress selling the benefits of the merger to small- and medium-sized businesses. Self-employed people and entrepreneurs are emerging from small table sessions and question-and-answer lunches choosing to be more knowledgeable and confident about mergers than they had been before they heard what John (as they all seem to call him) has by the time these events are over had to say.

But big mainstream companies are noticeably absent from the merger debate. "People won't speak for fear of reprisals," says Toronto economist John Gaspie (who has done so anyway). Privately, Gaspie says, "we managers are against it." This is not just the anti-merger forces taking a number of Bay Street business-executives, who claim to remain anonymous, say the same thing. Companies with a financial stake in downtown Toronto tend to resist the possibility of losing two of their

biggest tenants. The next don't want to get stuck relying on only three big lenders. "For companies, the issue is really quite practical," says an industrial Toronto-based investment banker with no ties to chartered banks. "They all know facts experience that life can get pretty rough where your banker turns cold."

Whatever the reason of bank mergers, 66 per cent of Canadians believe the government is going to approve them anyway. Right now, this seems far from certain. Cleghorn and Martin are said to be struggling to make the right

**SEEKING SUPPORT:** The Royal's Cleghorn is an earnest, off-camera champion of bigger banks.



He was, and is, without a doubt the best person to lead the cause. Cleghorn is as strong a shouter as bankers come. Born in Montreal and raised there and in Waterloo, Ont., he played football for McGill University and graduated with a commerce degree before working as an auditor, sugar futures trader and, finally, career banker. He married his university girlfriend, joined the Royal Bank in 1974 and established a reputation as a no-nonsense, no-frills manager. Cleghorn proved it in 1994 when he became CEO, he stepped away from executives that had become synonymous with the bank. He closed the executive dining room, sold the corporate jet

and gave away 90. They moved them back in the same way as any other multinational company—about one of strategic domestic importance—or do they risk an exception for national policy purposes? This answer will start to emerge through the 12 Bank of Montreal executives out from under the policy protection means which would be damaged on their desks in the days ahead, including a critical decision by the federal competition bureau.

Meanwhile, it's past meridian time. Bankers are piling over poll results and interview transcripts in effort to figure out exactly who or what is responsible for the blunder—and what the stage can be done to fix them. They are just to blame each other. TD Bank and CIBC (for Cleghorn and Barrett for "jumping the queue," as TD Bank chairman Charles Balfour so elegantly puts it, while Royal and Bank of Montreal CEO and CIBC chairman Al Flood for sabotaging the process. The way some at Royal-Montreal see it, they are the ones with the great sympathy. Balfour and Flood are not alone when a quick regulatory nod into a largely high-profile fiasco. Balfour, they complain, has made critics believe they would follow the Royal-Montreal lead and declare a moratorium on service out looks until the approval process is over. The original partners are particularly annoyed that the competition bureau may be moving more kindly on the TD Bank CIBC merger than their own.

Barrett agrees, however, that they would all be further helped had they held off Royal-loyalist Harold Mackay's task force on financial services tabled its report late September. As it stands, the banks look like they tried to force the hands of both Martin and Mackay—which, of course, is what they did. "What would happen if John and Greg both jumped the gun," the investment banker says. "They took the high risk gamble and decided to spring it on Paul because if they went to Ottawa promptly he would have said them to wait for Mackay. They do-

ced it might be worth getting that strategy, if they could force the government's hand and push it through." He blames Barrett. "This is definitely Martin's style. It's a weak-builder."

Officials at the Royal refuse to knock Barrett, but admit to being spoken into making a quick decision. "With what we know now, would we have done it differently?" asks David Moorcock, the Royal's man in charge of damage control on the campaign trail. "It is possible." What motivated the bank to move so fast? "Fear," Moorcock says. "Fear of what U.S. competitors are doing in our markets. Fear that the Bank of Montreal would not be there if we waited a year."



**THE LOWLY CEO:** Owen Sirochowski's Lowville is resisting the urge to merge

It might still have worked if Gaspie hadn't leaked to merger advocates say "The Bank of Nova Scotia chairman, who would follow the Royal-Montreal lead, association circles this fall, insists he did not start out to build a case against his competitors' plans. But when he was invited to appear before various federal committees studying the deals, Gaspie

## JUST SAYING 'NO'

When Peter Gadscoe replaced Claude Ritchie as head of the Bank of Nova Scotia in 1995, the piece on the chairman's desk went from Ritchie's red tie Gadscoe green tie. Ritchie had given out scarves with their own corporate logo. But the seventh floor of the 68-story Scotia Plaza in Toronto's financial district has changed in other ways as well. Gadscoe wanted to move down the showy deck, but the estimated cost of remodeling was too high. Instead, he outfitted his office with European art that adorned his office and replaced them with Canadian mostly early 20th-century landscapes by David Milne. Pointing to a rendering of the inside of Canada's Parliament, he says, "That's a very unusual Milne. He didn't do many like that."

Gadscoe now has something in common with Milne's painting, for he has recently been showing up in Ottawa as the renegade banker who tells parliamentary committees to turn down the mergers of his four main competitors to preserve the public good. Critics say the noted card player is just bluffing, that he is, in reality, a hypocrite, for only weeks he had a merger of his own and now is trying to sabotage Scotiabank to take advantage of public sympathy to magistrates. But friend Hal Jackman, Ontario's former lieutenant governor, says there is nothing contained in Gadscoe's belief that Canada should not be so much economic power in so few hands. "He really believes it," says Jackman. "He feels very strongly about this."

Gadscoe's very public stand has not won him many friends in the tightly knit community of the country's top bankers. And there is little in his background to suggest that Gadscoe, 60, would ever break from the very company that nurtured him. His father Brian, a wealthy Toronto executive, was one of the dollar-a-year men who worked without pay at Canada's effort in the Second World War. During high school at University of Toronto Schools, young Gadscoe had the luxury of Christmas skiing holidays in the mountains, where he met his wife, Shilah Rebbin. Success is reflected in the family photo that shares office space with the Milne paintings. Son Greg is a Vancouver lawyer, daughter Eden works for a private bank in San Francisco, Cynthia, the youngest, studied law at Harvard and now clerks at the New York Court of Appeals.

Gadscoe's position on mergers has costed a personal cost. He is slightly chagrined by his isolation and new notoriety as chairman of the flat-earth society, which is what Bank of Montreal's Matthew Barrett called him. But he feels he has the right, and thus an obligation, to stand up to the mergers. Says Gadscoe, "That's why I'm making a debate out of it."

## DWARFING THE COMPETITION

	COMPANIES	TOTAL ASSETS (\$BILLIONS)	EMPLOYEES
Canadian-owned banks	11	\$1,290	n/a
Foreign banks	64	92	n/a
All banks	65	1,322	134,000
Bank companies*	34	51	22,000
Credit unions†	2,219	107	61,000

\*Assets for 1997. †Excludes bank subsidiaries. Includes co-ops/producers. SOURCE: NAACFB 1998 1997C

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## THE CDMA DIGITAL Q\* PHONE

# ON THE ROAD WITH BANKERS

## 'Don and Derral' peddle the mergers to townsfolk

BY JOHN NICCOL

The local cable television studio in Grande Prairie, Alta., can best be described as "town hall"—an aggregation in the concrete block exterior to half the sound and a poster of Grande Prairie's modest skyline as a backdrop for the nightly news. It is in places like this, far from the concrete-and-glass canyons of Toronto and Montreal and the conservative rooms of Parliament Hill, that the skirmishes in the bank merger debate are taking place. On a chilly autumn day, the Bank of Montreal has sent two vice-presidents, Don Marr and Derral Moriyama, to convert the country's "townhallians"—civic leaders and the bank's better clients—at this hinterland of farmers, farmers and gas drillers. Their appearance on the cable TV talk show quickly becomes the "Don and Derral Show."

The hosts explain the anti-bank resentment in Alberta, where the perception is that eastern banks repossess farms and abandon the province during every recession. But Marr and Moriyama, who pop vitamin C pills to ward off colds during the 90-minute show, they tell the farmers, won't exert any negative side. The duo declare their western roots as true—Marr, originally from Saskatchewan, now works out of Hamilton, while Moriyama is an Albertan currently working in Edmonton. And they reiterate as they have in Indian halls and hotels from Oak Island, N.S., to Vernon, B.C., with bent noses—crafted for them by head-office spin doctors who have analyzed the mix of opinion polls and focus groups. Banks in Canada, says Moriyama, "are just like a small retailer with Wal-Mart coming to town." When cornered by people upset with banks, Marr deflects the criticism with a hockey analogy: "Give us a two-minute penalty and let us go back on the ice. The clock is ticking."

The Don and Derral Show is only part of a massive campaign by the bank's national ad campaign, \$25 million to convince Canadians to accept the Bank of Montreal merger with the Royal Bank of Canada, and the CBC affiliate with Toronto Dominion. Orchestrated by some of the country's highest profile media managers, the first stage of the campaign through Labour Day was low-key: a mixture of polling, lobbying MPs, encouraging clients to appear before the various parliamentary committees discussing the deal, and responding to negative newspaper articles with letters to editors. Stage 2, triggered by the public's openness to the mergers, was launched with the stigma: "The status quo is not an option." It is a concerted effort to make Canadian television. The Bank of Montreal has mostly used the Don and Derral Show, while the other merging banks have used senior executives to meet business and community leaders. The bank's chairman has also been active, writing

guest columns for newspapers, meeting with editorial boards, even going to small towns like Tatamouche, Ont., and Keweenaw, Que., in search of grassroots support.

Stage 3 is an effort, high-profile propaganda aside. Privately commissioned public opinion polls are looking at the public relations war, the Bank of Montreal and the Royal Bank's "Two banks, one pledge" campaign on Nov. 18, listing what they promise to do, if they can merge, in full-page newspaper ads and a 25-page pamphlet. Also under consideration is a series of television ads for January, on the basis of the "Two banks, one pledge" pitch.

Bank of Montreal chairman Matthew Barrett, meanwhile, by far the most aggressive of the four bank chairmen, has sent a voice to employees enduring times to spread the word that the merger success has everything to do with their future and the future of their families. Despite claims by economists that up to 40,000 out of 160,000 current jobs may be lost after the two mergers, so-called grassroots groups of workers have rallied to express support for the mergers. That may in part be due to the scorching radio message emanating from the top echelon, which the latter will do. Including more lengthy shorter length hours and standardised displays. If Finance Minister Paul Martin does not approve the merger plans—all of which will come with a "Thomson Martin" refrain.

"To be fair, the bank being the main decision in this merger," the bank has no national ad campaign, but it is a community group or business people bankers publicly demanding that Martin approve the mergers. Instead, they face criticism with long memories of unhappy dealings with financial institutions, while top executives of the principal non-merging banks, Bank of Nova Scotia and the National Bank of Canada, are debanking pro-merger arguments. Seven out of 10 Canadian Federation of Independent Business members are against the mergers, and more than 200 organizations representing farmers, students, women and labor have collected under the banner of the Canadian Consumer Reinvestment Coalition. The cry from their leader, Dan Conacher of the citizen-voice group Democracy Watch, is, "What we don't need are bigger banks. We need better banks."

The response from Marr and Moriyama is equally passionate. Part farm-raising, part Baywatch, he says,



**OFFER OF MARRIAGE:** When Barrett (above) proposed last January to merge his Bank of Montreal with the Royal Bank, bankers thought the negotiations could be performed quickly. But they forgot to ask the public.

as an on-the-spot Tuesday this must be a left-handed page. The merger says Marr, is not about competing internationally, but is different to become large enough to protect market share in Canada from foreign "category killers" who are "trying to get a beachhead" or are "smothering it through the Internet." But the banks won't want the white flag, they say. They want to go on another "Armistice" and let good jobs move out of Canada. "They won't let people in New York City control Canada's financial sector." Their bank, Marr and Moriyama told audiences, has already lost the business of issuing mortgages

## LET'S HEAR IT FOR M-E-R-G-E-R!

It has the look of a revolution. On a Friday morning, about 300 employees at the Bank of Montreal MasterCard offices in Toronto gather to pick up placards and prepare to protest. But this is no ordinary picketing. Rather, it is a one-day picket to please the boss. At 11:15, the local workers head the subway to head for the downtown demonstration site—another bank complex—with a clear message: bank mergers are good. The atmosphere is reminiscent of a college football pep rally. "Gimme an M, Gimme an E," they yell, spelling out "merger."

Protests call for a protest song, so Judy Coy, a customer service manager, has brought along a ghetto blaster and loudly plays Bob Dylan's 1965 anthem "The Times They Are A-Changin'—now the 90s slogan for Bank of Montreal's motto, thanks to some clever marketing. Bank executives have warned of dire consequences if the mergers do not go

through—and many of the workers believe them. "We're being told that all the challenges and opportunities may not be there if the banks don't merge," explains Christina Filipe, 38, a MasterCard employee, in spite of some critics saying that up to 30 per cent of bank staff could lose their jobs if the mergers succeed.

What raised the ire of MasterCard staff and led to the Nov. 20 protest, was a recent comment to a Senate committee studying the merger. Matthew Cooper, vice president of U.S.-based Capital One Financial Corp.—which has taken thousands of credit-card customers from Canadian companies in the past two years—was asked how many people he employs in Canada. "We employ one right now and have another one coming," he said. MasterCard workers are upset that giant companies like Capital One can take away business without hiring Canadians. "It's the American threat," says em-

ployee Linda Higgins. "They thrive on profit and they're taking our jobs."

The official leader of the MasterCard protest, John Carver, 33, says that the demonstration has nothing to do with bank officials. "This is an employee rally, not a bank rally," he insists. That may well be, but Carver, well-liked and fatherly, is himself a senior manager at the MasterCard credit centre. He has a mixed view of Bank of Montreal office in Toronto to join the rally, and as Carver and his colleagues gather at the site, they are joined by hundreds of other employees. "Join the ranks; merge the banks," they chant. When workers belt out O Canada for the second time, Bank of Montreal public relations executive Jennifer Shawben brings all the sentimentality. "This is kind of cheesy, isn't it?" she says. Within half an hour the rally is over and the well-dressed demonstrators go back to work. Times might be a-changing, but lunch hour is over.

One question by Marr and Moriyama that resonated—in an 1990 interview with CIBC's chief, the Bank of Montreal and other relatively small Canadian banks to get the Canadian government's credit-card business—is not difficult to the fact. Senator Joseph J. Rock, a member of the Liberal caucus committee that, under chairman Tony James, looked at the mergers, researched the confusing array of government credit cards. American Express was the government travel card business, taking over from CIBC. For MasterCard, which has 30 per cent of everyday government purchases, the Bank of Montreal was broken out—used by CIBC, but by Canada's own little National Bank. For Visa, used for the remaining eight per cent of purchases, CIBC

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had indeed won out over the Royal Bank, Toronto Dominion and CIBC. But according to government documents obtained by Maclean's, that was only because the Canadian banks did not meet some of the requirements of the bidding process, such as a promise to provide detailed bidding summaries. "When their argument was put to us, if you heads and knees shaking, Oh, my God, the Canadian banking system is going to be eaten up by the Americans," says Boyd. "When I started changing into argument, I find out it was not exactly the story we were told."

Meanwhile, the pitch has intensified. On Nov. 18, the Bank of Montreal and the Royal launched their all-campaign and pamphlets. They vowed to reduce service charges by at least 10 per cent, continue to serve rural Canada with branches, start a special bank for small business, and double—to 540 billion—the loans available to small and medium-sized businesses within five years of the merger. But critics such as Croteau's quickly went out first with promises have not stopped the banks from cutting back on small towns like Springfield, N.S., and Kewee, Ont. "What is alarming," he said, "is that amidst a campaign where they're asking the public to grant them so enormous loans, they're withdrawing service and reducing hours."

Catherine Smith, Canadian Federation of Independent Business president, is just as skeptical of the promise to help small business. "Over the years, we've heard they're going to put a billion into this, and when we look back later and check it, never happens," she notes. But Smith and her organization have paid a price for such critics. Only a few years ago, the Bank of Montreal proved the lenders' research when it put the banks in a favorable light. Now the banks are questioning the methodology of lender surveys showing negative attitudes towards the mergers. Suddenly says Smith, "we're the bad guys. Should the message be that we don't like the message?"

John Crago, the outspoken economist at the University of Toronto's Institute for Free Trade and Against Government Intervention, has also left the heat. In October, he co-edited an opinion piece for *The Globe and Mail* that the mergers were "inspired-driven by a small group of men who stood to gain immensely in money and power." A Bank of Montreal spokesperson and graduate of the University of Toronto's Rotman School of Management, where Crago is based, subsequently

own employees, who have been regularly updated with internal memos and reportedly told, contrary to what critics assert, that the merger would protect their jobs.

Once again, the Bank of Montreal has been at the forefront. Barrett made a call to some in a video that is part of a pitch, part doomsday message. "I need your help," he intones. "We only have a few weeks left. Crucial work is coming. He says he doesn't want to tell employees what to do, but adds, "It would be a shame to have the people most affected those who have the most to gain—or the flip side, to lose—if their views were not heard by the policy makers."

Fracturing the message off. Talk to your customers, speak to your family." The employees' duties are at stake, he says, if the banks do not wrap the "refinement" of the merger. On the surface, Barrett's appeal has enjoyed some success. So-called grassroots employee groups have shown up at town-hall meetings organized by MPs. Two hundred people turned out for one such gathering with Toronto Liberal MP Carolyn Bennett. Bennett said 150 of them were Bank of Montreal employees, leading her to wonder if the event had been orchestrated.

According to executives at the Royal and the Bank of Montreal, in-house surveys show that up to 80 per cent of employees are in favor of the mergers. But more confidence to bank out about middle managers—especially in Toronto's towers—who are worried that hundreds of their jobs will be lost.

There is similar unease about the mergers among Canadians. A national survey by Maclean's and a poll released last week by the Canadian Federation of Independent Business, confirm to show that the banks' dispute all the efforts of their chairman, and the likes of the Don and Doreen Shaw, must still contend with skepticism, from Grande Prairie to the Grand Banks.

With ADAM REEVEY-WORRELL and CELIA MURPHY in Toronto

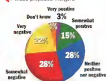


SPREADING THE WORD: Morneau (left) and Marr traveled across Canada five times

## Marr says banks need to join to fend off foreign 'category killers'

### HALF OF CANADIANS HAVE A NEGATIVE IMPRESSION OF THE BANK MERGERS

**Q** What is your general impression of these proposed mergers?



QIP: JAMES HARRISON/STATISTICS



IF YOU LOOK BEYOND THE POWER OF INTRIGUE'S 195 HP V-6 AND THE PRECISION OF ITS HIGH PERFORMANCE SUSPENSION, WHAT WILL YOU FIND? WILL IT BE THE AGILITY OF VARIABLE-ASSIST STEERING AND FULL-FUNCTION TRACTION CONTROL, OR PERHAPS A REFINED INTERIOR THAT LEADS TO NEW DISCOVERIES WITH EACH PASSING MOMENT. ONE SECRET, HOWEVER, HAS BEEN REVEALED—INTRIGUE DESERVES A SECOND LOOK.

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# ASK THE PEOPLE

An exclusive *Maclean's* poll on banks and mergers

BY GEOFFREY STEVENS

**I**f Ottawa were to follow the wishes of the country—which has been known to happen from time to time—it would reject the proposed bank mergers out of hand. That seems clear from a national poll conducted for *Maclean's* by Northstar Research Partners, a new polling firm in Toronto. Twice as many people are opposed to the mergers (53 per cent) as favor them (26 per cent) while 21 per cent have no opinion. These views are confirmed by individuals' personal experiences with banks and the banking system. The more often they visit a bank branch the more likely they are to oppose the mergers. More than 70 per cent of those polled think service charges are unreasonable. Fifty-one per cent believe the mergers are motivated by greed or profit. Compared with a payee two per cent who think the objective is to improve service. And by resounding margins, respondents think the winners would be the big cities—the banks, the shareholders and executives—and the losers the little guys: bank employees and customers, small businesses and local communities.

There being few politicians in Ottawa or elsewhere, who would knowingly or publicly side with fat cats against little people, may assume the mergers are a dead issue! Not necessarily. Although the *Maclean's*/Northstar poll offers scant cause for the four bank champions to break out the champagne, it does suggest there is some mainstream room. To start with, the merger debate is not at all like the emotional confrontation the Quebecers have experienced over free trade, currency separation in Alberta. The public is not engaged. Most people aren't paying attention to the mergers and barely half (54 per cent) care if they go ahead. Regardless of whether they favor or oppose the mergers, two-thirds say they do not have enough information to pass judgment, which would seem to open a door for a massive effort in bankery persuasion.

Two other findings should keep the pro-merger farces. Although people are 3:1 against the mergers, fully 68 per cent expect the Chrétien government to approve them anyway—suggesting most people would not be surprised, or terribly upset, if the banks receive the green light. And, second, the pattern changes when people are offered an



TAKING THE PULSE: Northstar's Steve Tim (left) and John Lauchinger with their pollsters.

option that falls between outright approval and outright rejection. More than half—67 per cent—would approve the mergers with conditions, while 58 per cent would reject them, six per cent would approve without conditions and nine per cent are uncertain. The conditions would be onerous. Seventy-two per cent would guarantee loan levels for small business. 65 per cent seek restrictions on ratios over fees. 62 per cent demand job protection for bank employees. 58 per cent would restrict branch closings. Such conditions, if implemented and colored, might take some of the fire out of the bankers' champagne. On the other hand, they are not all that more draconian than the commentators John Cleghorn and Matthew Barrett are vocalizing on behalf of the Royal Bank and Bank of Montreal in their latest advertising blitz.

The mergers are amiable with the public, but accounts of their demise are premature.

(The poll sampled 821 Canadians between Oct. 22 and Nov. 1. Results are deemed to be accurate within 3.6 per cent, plus or minus, 19 times out of 20.)

## FEW CANADIANS FEEL THEY HAVE ENOUGH INFORMATION

**Q** Do you currently have enough information to make a judgment about these proposed mergers?



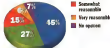
**NORTHSTAR**  
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## MOST CANADIANS PERCEIVE BANK AND CREDIT-CARD SERVICE CHARGES AS UNREASONABLE

**Q** Would you say bank service charges are very reasonable, somewhat reasonable, somewhat unreasonable, very unreasonable?



**Q** Would you say credit card service charges are very reasonable, somewhat reasonable, somewhat unreasonable, very unreasonable?



## MANY EXPECT CHANGES TO THE CANADIAN BANKING SYSTEM

**Q** Using a scale from 1 to 10, how likely do you think it is that each of the following could occur in the future? A 10 means it is very likely and a rating of 1 means it is not very likely to happen.

Per cent saying 1, 2, 3, 10 (i.e. highly likely)



## HALF OF CANADIANS FEEL BANK MERGERS ARE MOTIVATED BY FINANCIAL GAIN

**Q** What do you think is the main reason why these banks wish to merge?



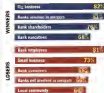
## MOST CANADIANS BELIEVE THERE WILL BE LESS COMPETITION AS A RESULT OF THE MERGERS

**Q** If the bank mergers were to proceed, with your opinion would there be more, less or the same amount of competition in the banking system as now?



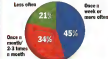
## THE WINNERS—Bay Street THE LOSERS—'The little guy'

**Q** If the mergers were to proceed, which of the following groups do you think would be winners or losers?



## FREQUENCY OF VISITING A BANK BRANCH

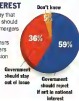
**Q** How often, if at all, do you visit a bank branch?





## THE MAJORITY OF CANADIANS SAY THE GOVERNMENT SHOULD REJECT MERGERS IF NOT IN THE NATIONAL INTEREST

**Q.** Some people say that the government should reject the proposed mergers if they are not in the national interest. Others say that these mergers are a business decision and the government should stay out of the issue. Which of the two statements is closer to your own point of view?



## TOP CONDITIONS ATTACHED TO THE APPROVAL OF BANK MERGERS

**Q.** If conditions were to be attached to any approval, which of the following should definitely be a condition, probably be a condition, or definitely not be a condition?

Per cent saying should definitely be a condition



## CANADIANS ARE MORE LIKELY TO SAY BANKS CONTROL OR CREATE BANKING POLICY

**Q.** Who do you think really controls or creates the banking policy for Canada? Do you feel it is the banks or the federal government?



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RESEARCH PARTNERS

## NO ONE SPOKESMAN OR GROUP IS HIGHLY BELIEVABLE

**Q.** Using a 1 to 10 scale, indicate how believable the following are on the bank merger issue:  
Per cent saying 8, 9, 10 (highly believable)



## A MAJORITY SAY THEY DO NOT WANT MORE FOREIGN OWNERSHIP OF CANADIAN BANKS

**Q.** Should the federal government approve more foreign ownership of Canadian banks?



## HALF OF CANADIANS AGREE BANKS HAVE BEEN PROTECTED TOO MUCH FROM FOREIGN COMPETITION

**Q.** Do you strongly agree, somewhat agree, somewhat disagree or strongly disagree that in the past, Canadian banks have been protected too much from foreign competition?



# PROS AND CONS

For every bank argument, their opponents have a reply

Over the past year, executives from the Royal Bank of Canada, Bank of Montreal, Toronto Dominion Bank and Canadian Imperial Bank of Commerce have argued that merging four banks into two is necessary for a variety of reasons. What they've said—and how the critics have responded.

**Bigger is better.** The banks cite the need for \$5 billion worth of productivity gains that would be easier for larger organizations to achieve. They also cite the ability of New York City-based Citicorp Inc. to undertake the Royal or the federal government's Visa credit card business as proof that larger firms can beat out smaller ones.

Oppose its quote studies showing that few efficiencies have come from U.S. bank unions. They also point out that say National Bank of Canada was awarded the bigger MasterCard portion of the federal government credit card contract, beating out the Bank of Montreal.

**Competing abroad.** Global presence means Canada's financial institutions have gone from being big fish in a Canadian pond to small fish in a global ocean, the banks say. To stay competitive, they need to be bigger to offer winning rates for large international loans and new services, sophisticated deals, provide risk participation, and help Canadian companies finance foreign operations.

However, say the critics all the banks want to do is expand into the United States. The pro-merger banks say there is no reason they can't expand in the United States and move more forcefully into the global arena at the same time. Royal Bank, for one, wants Bank of Montreal's Chicago-based Harris Bank as the platform for a continent-wide financial services empire.

**Defending home turf.** Royal Bank's biggest threat this fall has been the threat posed by new foreign competitors to domestic markets for credit cards, wealth-management loans and leasing. It even made a video identifying foreign "category killers,"

such as American Express, Wells Fargo, and MBNA Corp., that have targeted the Canadian market.

Merger opponents scoff, citing these competitors' "side letters." They argue that some of the companies have operated in Canada for decades, are not operating here at all, or will never be a serious threat. Banks counter that even small incursions by savvy foreign players will chip away at profits.

Then best argument is the July purchase of Midland Western Ltd. of Toronto by New York-based Merrill Lynch & Co., and the cost party's potential to become a dominant player in the Canadian investment business.

**The technology angle.** Before they moved on to the article below, the banks and technology watchers' most important challenge: They're right the better the software, the better they can identify the best customers and manage risk. The Mac

Key bank force on financial services points out that the top three U.S. banks spent \$7.7 billion on technology in 1996, whereas the top three Canadian banks spent only \$2.4 billion. This is a consistent issue: Some merger opponents say Canadian banks spend less because they are a decade ahead of the U.S. industry in transaction clearing and ATM technology. Other bank Canadian banks should be prepared to join forces in big projects. Pro-merger banks say the systems they need cannot be shared with competitors.

**Branches and jobs.** This is the big concern for the public and for bank employees. Economist Doug Peters and Arthur Doucet created a



THE OTHER MERGER: 10% Charles Fillion and CIBC's Flood (left) hope to unite

air in September by estimating that between 20,000 and 40,000 employees will get the post-merger chop. The banks insist they will eliminate "jobs, not people" through the use of attrition and retraining.

As for branches, each bank is different. TD is reorganizing with a few less branches; CIBC is building and refurbishing; the Bank of Montreal and the Royal are waiting to see what happens. All have been opening new offices in supermarkets. The Royal and the Bank of Montreal say they will increase staffed outlets to 3,900 from 2,500 if they merge. Peters and Doucet predict the four banks will ultimately close 1,300 to 1,500 branches if mergers go through.

**End Mr. Moneybags.** Ultimately, a great swath of the financial community believes the mergers are taking place in part because both Bank of Montreal chairman Matthew Barrett and the CIBC's A Flood want to retire. Without a merger, Flood has no viable successor while the bank's his probable heir would bank. Barrett, however, believes that merging with the Royal will be the best long-term solution for his organization. He has made no secret of his wish to pursue other interests, such as a desired diplomatic posting and the company of his young wife.

KIMBERLEY NOBLE

# YES OR NO?

BY JOHN GEDDES



A KEY PLAYER: Bevilacqua's finance committee may chart a middle course

## THE DECISION-MAKER:

Keeping his own counsel, Martin has frozen out the lobbyists

an overstated debate. "The temperance has risen over the last little while," Valen told *Maclean's*. "Part of our role as a committee has to be to cut through some of the rhetoric and look at some of the issues from a dispassionate perspective."

Beyond what it recommends on merger reviews, the committee's broader perspective on the future of the financial industry could give the banks a new sign: their arguments have not been entirely dismissed by MPs. In fact, the *Bevilacqua* is sympathetic to the banks' contention that they are in danger of being badly out-muscle by U.S. banks—a few of which are moving onto the super-heavyweight class after their own recent block-buster mergers—rather than increasingly integrated North American markets. He carefully avoids commenting directly on the two proposed Canadian mergers, but *Bevilacqua* leaves little doubt that he sees large foreign competition—not domestic concerns such as branch closures—as the most pressing issue. "Decisions cannot be based solely on what the financial services sector looks like today, mergers should be judged in the context of tomorrow's expectations," he told *Maclean's*. "What might be perceived as contrary to the public good today could be essential to tomorrow's successful marketplace."

Even that cautious wording is bound to rankle many of *Bevilacqua's* Liberal colleagues. Of the eight government MPs on his committee, four signed the *Maclean's* report. In its first chapter that report listed 14 reasons to favor shutting down the mergers. It flatly rejected the banks' case that mergers, from whichever U.S. and European financial corporations leave Canadian banks little choice but to combine forces. Persuading those same four MPs who endorsed the *Maclean's* version to also sign a finance committee report that seems to accept the notion that Canadian banks might need to bulk up to take on international rivals will be tough. Still, *Bevilacqua* may succeed in convincing his fellow Liberals into allowing him to issue a report that echoes *MacKay's* call for a new merger review process—a distinct departure from the finance committee's view of the changes in known already about the recent arguments of the mergers for it to expose a full stop now.

The Senate banking committee also is expected to take a hard look at how any bank merger should be evaluated—again without specifically grappling with the details of the two mergers now in play. Its chair-



## WILL PUBLIC VIEWS MATTER?

Do you believe the government should approve the mergers as proposed?



Do you believe the government will approve the mergers?



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level of comfort that we are going to get through right," Valen says. Until the House and Senate committees, the competition between is examining the two proposed mergers in painstaking detail. Headed by the formidable Conrad von Pischke, who was named as the top federal lawyer in their trade negotiations with the United States, the Senate is operating under strict legal guidelines—not on political instincts. One key benchmark if either of the two merged banks would command more than 25 per cent of a local market for

I was one of those key meetings when the unofficial business of politics often gets done. Prime Minister Jean Chrétien had wrapped up his speech to a big annual Liberal fundraising dinner, a most unusual event every fall for the party faithful in Ottawa. As the crowd flowed out, the usual clusters of politicians, their aides and hangers-on headed for the nearest bars. At a waiting hole in the downtown Westin Hotel, one Liberal MP was soon deep in conversation with a corporate industry official. Unstudied a bank lobbyist, obviously an alias to join the conversation. The lobbyist was not actually—far from it—politically that he was not sure it was a good thing for there to be seen talking in public.

How far the bankers and their hired guns have taken they are now even more wanted as drinking companions than tobacco lobbyists. Bank officials trying to sell their unpopular merger plans these days often find the doors of Parliament Hill firmly closed. They complain that media-like Liberal groups, including the party's rural and Toronto caucuses, have turned down their frequent requests for meetings—closed. The bankers are often frozen out at the top level, too. Finance Minister Paul Martin and his staff will not meet with them—a policy meant to allay any suspicions that backroom deals to approve the mergers are in the works. Bank strategists are left pressing for some new strategy to evaluate their proposals—one that would involve them from the political chief. "As it stands right now, there is no process," complains a senior bank official. "It's all about news."

If the bankers are down, they may not get to be. The new process they seek could begin to take shape over the next few weeks—a prospect that would take some of the sting out of Martin's likely refusal to give them a green light as they now stand. Two potential story candidates, the Senate banking committee and the Commons finance committee, are both expected to issue reports as early as this week, suggesting some contentious reviews of bank mergers in the future. A third report, the recently avoided findings of the federal government's antitrust watchdog, the Competition Bureau, will signal more precisely how the two mergers now proposed might be threatened to ease concern as they would concentrate too much market clout in the hands of the new megabanks.

Each of the reports will aim to its way to influence Martin, who has the final power to kill the bank mergers or let them live. He set up a cooperative tone back in January when he publicly vetoed his cabinet not having been given advance warning before the Royal Bank and the Bank of Montreal announced their plan to merge. Liberal MPs took their cue from Martin by the time the Canadian Imperial Bank of Commerce and the Toronto Dominion Bank announced their own engagement a few months later into bank settlement among backbenchers had hardened. In early November 50 Liberal MPs signed a caucus task force report, spearheaded by Toronto MP Tony Ivison denouncing the mergers. One Liberal strategist, marveling at the MP's boldness in openly trying to force Martin's hand put it this way: "The prime has been empowered."

Martin can hardly be expected to issue a decision that runs counter to the merger approval mood he himself helped foster in his own

party. Clearly, short-term political advantage lies in turning the banks down. But if Martin wants to leave open the option of granting approval later, he will first need to direct attention away from bank merger caucuses report. The model for a different approach is at hand, as already on the table. Back in September a politically neutral federal task force, headed by former lawyer Harold MacKay, issued an exhaustively researched study on the future of Canada's financial services sector. While MacKay did not look specifically at the two block-buster mergers now at hand, he did say Ottawa should drop an unwieldy, divided policy of banning mergers between big banks. His report will likely form the basis for a package of federal financial-sector reform next year. Among MacKay's key recommendations, a new public-interest review system to evaluate any bank merger on its own merits.

That approach may be followed by the House finance committee report, expected to be released as early as this week. The committee, chaired by Ontario MP Marilyn Bevilacqua, a Martin ally, has it too bad to parallel to drive into the two proposed mergers the committee's needed on MacKay's idea for a new way to assess mergers could be important. There have been hints that Martin is looking to the finance committee to counterbalance the finance report's call for an unwelcome themselves to the mergers—only no hope of a second chance. Perhaps the most influential member of Bevilacqua's group, Ontario MP Tony Valen, Martin's parliamentary secretary—and the finance minister's eyes and ears on the committee—predicts the report will cool down

**All eyes are on a reluctant Paul Martin**

a given financial service, such as credit cards or home mortgages, the banks would consider competition to be threatened. That threshold for too much competitive clout is almost certain to be exceeded in at least some of the thousands of local markets where the bureau is analyzing merger impacts. The bureau's conclusions are slated to be delivered to Martin by mid-December. He has promised to make those findings public almost immediately.

What will happen next? The banks argue they should be given a chance to respond to whatever concerns the bureau may raise. In some cases, for example, they might be willing to sell off parts of their empires to avoid any unacceptable lessening of competition flagged by not Finkelstein. In a merger between corporations in any other sector, the bureau would negotiate such remedies in private. In the case of the banks, though, Martin has reserved the right to forward the bureau from continuing on to that next step. And even if Martin did decide to let such negotiations take place, government and industry officials are not sure how the bureau's behind-closed-doors work would be co-ordinated with a parallel public review along the new lines suggested by Mackay.

Bank officials are worried Martin might

deny them any real chance to respond to not Finkelstein's report. They fear Martin might declare that the bureau's findings—combined with the objections voiced by the various consumer groups—are so serious that he has no option but to disallow the mergers without further deliberations. If Martin chooses that course, which remains a very strong possibility, senior government sources say, he could insist that the banks

## Anti-bank feeling runs deep among Liberal MPs

worried in late December or early in 1999. Yet not Finkelstein seems to assume the sceptics he hands over to Martin will not be the mid of his work on the matter. In an interview with *Maclean's* earlier this fall, not Finkelstein rapped out what he expects will happen after he delivers his initial report. "The minister will make it public, and he will presumably announce his concerns. Then the [bureau] can decide—always assuming we have concerns and the minister has con-

cerns—do they want to address them or do they want to walk?" he said. "If they want to address them, they will then enter into negotiations with us on competition issues and with the minister of finance on public interest issues. To a large extent, the same remarks might address both sets of issues."

That second stage of the merger debate—detailed negotiations with the bureau and some legislative process involving politicians—is exactly what the banks are hoping will unfold in 1999.

But many backbench Liberal MPs are worried that prolonging the discussion could allow the issue to slip from their grasp. And Martin will have to be acutely sensitive to that anxiety. Alex Shegoff, who chairs the Liberal economic critique led by Madson, has suspicion the bureau will put too much emphasis on how the mergers might improve the banks' efficiency and not enough on potential curbing of the range of competing alternatives available to Canadian consumers. He argues the banks' extensive disinvestment from bank branches to the so-called bank machine approach, give them too much power in the marketplace even without the mergers. "For Main Street and Bay Street, controlling the distribution network is what this is all about," Shegoff says.

Ontario MP Larry McCormick, who chairs the government's rural caucus, fears branch closures and declining service in small towns if the mergers are permitted to go ahead. He represents the banks' toughest clientele on Parliament Hill: an MP with deeply engrained resentments against the way banks do business. The former owner of a country store in Little Canada East, Ont., near Kingston, McCormick still gets agitated when he recalls the bank banks used to charge him for calling cheques from his customers. And he shrugs off the threat that if the banks are denied they might cut costs by closing marginally profitable small-town branches—an unappealing possibility first publicly linked in last September in a report from Bank of Montreal chief economist Tim O'Neill. "I just don't believe they can afford to do that," McCormick told *Maclean's*.

These days, McCormick makes a habit of stopping across Wellington Street from the Parliament Buildings at lunch to a Bank of Montreal branch. He keeps an eye on his watch to time how long he and other customers stand in line waiting for a teller. (Too long, he reports, at up to 14 minutes.) He is sure service would decline further if there were fewer banks competing for Canadians' business. It is that sort of roadside ranting to matters close to home that stands in the banks' way as they struggle to get Ottawa to focus on their global ambitions. Business strategists in the sea of free trade may be glib.

But politics, as Canada's bankers are learning the hard way, has a way of running stubbornly close.

# SELLING SERVICE

Prater Rosell has lost count of how many letters he has made this afternoon. Turns out, Rosell, a training specialist with ING Direct, a banking newcomer to Canada, had dropped by his bank's storefront cafe in suburban Toronto for a few minutes at the end of his lunch break—his message: "Come for a little," he says. "I think I've made more than 100 calls to customers. I think I've sold more than I've given away. But hey, I've opened a couple thousand dollars worth of bank accounts at the same time."

Ever-curious observers of the bank merger debate will have heard of ING Direct, an ING Group NY of Ireland, and been along with credit and money MBNA Corp., a powerful Ohio-based bank, and last night's computer wizardry was up and on and up the most powerful customers from beneath the noses of the big Canadian banks. Live as it is, the valuable to these two companies, these banks say we need to grow bigger and stronger so we can compete.

The problem with that argument, say even observers of the bank merger, is that when it comes to retail banking, Canada's three largest banks are already the big strong ones. For decades, from their offices in Ottawa, they have successfully kept all but a handful of competitors at bay. The biggest of these, Vancouver-based Bank of Montreal, has been in Canada for 20 years and ranks as the seventh-largest bank in the country (just after National Bank of Canada). Large local-owned independent banking firms have operated here, for decades, all others get squeezed out of the top. Those that are currently making roads appear to be doing so more through hard sleighing and customer service than by riding the coattails of deep-pocketed overseas banks.

Close and personal, this new breed of retail banker makes late and pitches in to man the phone lines when the call centres get jammed. Take Rosell, or his boss ING Direct president Arlene Kuhlmann, both of whom grew up in Toronto. ING—a "virtual" operation with no conventional branches that pays above-average interest rates on savings and offers lines of credit for a flat 7.9 per cent—opened the cafe in the first place not because it didn't want to do it, but because Canadian customers were driving long distances to visit its headquarters on the northern edge of Toronto. They wanted to see their bank. Kuhlmann, a former Royal Bank executive, started bragging minutes up to ING Direct's executive offices for coffee. He decided that customers wanted to come, they should be given something pleasant to sit, where they could be with ING products as well. The cafe has worked out so well that the bank recently opened another in downtown Vancouver.

## THE BIG FOREIGN SIX

The largest foreign banks in Canada, by assets		Assets (\$BILLIONS)	Branches
Bank of Montreal (BMO)		\$24.6	110
CIBC Bank Canada (United States)		\$20.4	5
Bank of Nova Scotia (Bank of Montreal)		\$8	0
Bank of America Bank Canada (Bank of Montreal)		\$5.3	4
Société Générale Canada (Bank of Montreal)		\$4.7	3
Bank of America Bank Canada		\$4.6	4

Source: Bank of Montreal, Bank of Nova Scotia, Bank of Toronto, Bank of Montreal, Bank of Montreal, Bank of Montreal, Bank of Montreal, Bank of Montreal, Bank of Montreal, Bank of Montreal.

While moneylending ING Direct is something of an experiment for its Dutch parent, U.S.-owned MBNA Canada is a different matter altogether: MBNA is what's known as a "monoculture" bank. It has only one product, credit cards. Every MBNA division worldwide operates along strict lines set out by its founder, Charles Conway, a credit card maverick at Maryland National Bank who, with partners, bought the Gold MasterCard division from his employees in the early 1980s and has built it into the biggest company of its kind in the world.

MBNA's Canadian operation, located outside Ottawa, is very American: the gap between it and its competitors is reflected in rates not. "We want to give customers an experience," says MBNA Canada's U.S.-born president, Patrick O'Dwyer. Both MBNA and ING Direct employ approximately 200 Canadians in pleasant, well-paying jobs with room for career advancement. Contrary to the way they are portrayed by their Canadian competitors, both seem less preoccupied with computer wizardry than with providing the quality service customers want—a concept that seems all but forgotten in the bank merger debate.

BY MICHAEL HARRIS

ING Direct's new owners like Kuhlmann's ING are making gains

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## COVER

Internet site. The banks have reason to worry. In the near future, consumers will be able to install new software that, so-called intelligence agent, that will customize their financial data. Consumers will program their desired level of financial risk—and their preferred balance of holdings. The agent might then identify excess funds in a bank account, search the Internet to find a better investment outside of the bank—and then transfer those funds.

In response, the banks are aggressively fighting to bond with their customers. The CIBC, for one, has worked with Loblaws Cos. Ltd. to create President's Choice Financial, which has stationed ATMs and in-store positions in grocery stores. The CIBC gets access to an enormous pool of prospective customers. Loblaws gets to build customer loyalty every time customers use their President's Choice debit card to buy groceries; they get points they can use to buy more groceries. The Bank of Montreal has created its electronic branch, which even provides access to the mortgage rates of other institutions so that customers can comparison-shop. The goal is to remain the customer's primary contact for all financial services—even if the mortgage is borrowed from another institution.

Other institutions, though, are vying for their allocations. Edmonton-based Future Canada Ltd. sells a software program called Quicken that does everything from calculating capital gains to tracking accounts payable for small businesses. In the United States, users can click on a single button—and Quicken will log onto the Internet, gather data from different banks and brokerage firms with a single request and present that information within the Quicken software. In Canada, the banks have resisted that Quicken alter its software, fearing that information-lust. Quicken's stats show 750,000 customers must access each bank once by year, enter their password—and view the information on each bank's home page before downloading it. "The banks in Canada are really powerful compared to the banks in the United States," says Intuit's senior product manager Eric Gaudin. "Quicken will tell you how to make more money. In Canada, that process can still be done—but it is a bit of a nuisance because the banks want to keep in contact with their customer."

Perhaps the only certainty about tomorrow's banking is that nothing will be the way it was—very soon. Last spring, in Britain, NCR unveiled ATMs that no longer rely on personal identification codes. Instead, customers used the National Building Society's Sheridan have a digital picture of their iris stored in a central data base. On future visits, they can access cash—on the bank of an eye. And that is perhaps the best analogy for the pace of change in the entire industry.

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## Dominating the Web

AOL scoops up Netscape to consolidate its power

When Steve Case and his colleagues at Q-Link threw the switch on Nov. 1, 1995, they were bitterly disappointed. They were setting up the first-ever online link for owners of Commodore computers from Q-Link offices near Washington. But when only 24 users signed on, many thought the idea of connecting computers across a network was doomed to fail. Case, however, was undeterred. Soon after, he changed the company's name to America Online and launched an advertising blitzing. By 1995, AOL was so successful that Microsoft Corp. co-founder Bill Gates tried to buy part of the firm. Case refused, and over the next five years built the company into an online powerhouse.

Last week, it was Case who had Gates in the crosshairs. AOL has agreed to pay \$6.2 billion for California-based Netscape Communications Corp., a company best known for its consumer and corporate Internet software but which also has one of the Internet's top destinations in its Netscape Web site. AOL will now compete directly with Microsoft in the business of supplying Internet software and will continue its rivalry from an even stronger base with Microsoft's MSN online service. In short,

AOL has taken a commanding position in the digital world. "To be able to deliver our service anywhere is a key part of what this deal is all about," said Case, AOL's president and CEO.

As the Internet opens the door to an explosion of electronic commerce, the payoff for Dallas, Tex.-based AOL could be staggering. E-commerce in North America is expected to generate revenues of more than \$485 billion by 2002, with online advertising alone amounting to \$75 billion, says Forrester Research Inc. of Cambridge, Mass. This year, companies are expected to spend nearly \$6 billion setting up shops on the Net.

The takeover brings to an end the existence of California-based Netscape as an Internet pioneer that moved the Web browser—allowing people to view Web sites on their computers—to into the mainstream. When the company went public in 1995, its share price rocketed to over \$100. But a year later, its stock dwindled when Microsoft launched a competing browser that gave away Netscape has since rebuilt itself into a leading supplier of software and support services for business users.

Another attraction for AOL was Netscape's Netscape Web site, a major par-

Case at AOL's Virginia head office, peddling Microsoft in the crosshairs

tel, or access point, for consumers and businesses using the Web. By carrying AOL's 14 million users to Netscape's 36 million corporate customers, AOL will have access to 70 per cent of all businesses using the Net and 80 per cent of the home audience. With AOL's revenues growing by 50 per cent annually in a projected \$4 billion this year, analysts say the combined deal will allow it to grow even more rapidly. "This deal," said Frederick Meres, an analyst at New York City-based ING Barings, "ensures AOL's dominance on the Internet."

The consolidation of AOL's power on the Internet could trigger lawsuits among companies operating competing Internet portals, who are becoming the dominant Web destinations. Yahoo! Inc., the most popular site, will likely weather any challenge, but smaller portals like Excite! Inc. may gain forces with entertainment and media companies. "This is a lady strikes gold," says Graham Duffy, president of Toronto-based Canoe LP, an online service. "We're going to see consolidation continue."

In the future, AOL's toughest fight may still lie with Microsoft, which dominates in the computer software sector and operates its own network of advertising-supported online services. AOL has a built-in advantage because it is able to charge a monthly fee for its service as well as collecting advertising revenues. But Microsoft boasts its own strengths. About 50 per cent of the world's computers use its Windows operating system, which gives it control over the appearance of the desktop, or opening screens, on millions of computers. AOL had previously agreed to use Microsoft's browser in return for space on Windows desktops and, as an illustration of Microsoft's clout, AOL continues to let its customers use the Microsoft Edge browser.

The deal also complicates a U.S. antitrust case against Microsoft that was based largely on its fight with Netscape. Microsoft's buyers have now had to have the case dismissed. But Forrester analyst Bob Chaffin says Netscape was vulnerable to takeover because it was hard to build in the browser war with Microsoft. Bill Gates, meanwhile, now has one less competitor in Netscape—but gained a much more powerful threat in AOL. And Steve Case's conviction that computer networks might actually amount to something his pal off once again.

JOHN PENNELL

Ross Laver



## Corporate charm school

Jack Welch, the chief executive officer at General Electric Co., is one of the most admired and successful corporate leaders in North America. He is also, by no means accident, a tough and indefatigable SOB.

According to *Forbes* magazine, the practice and disseminating Welch "conducts meetings so aggressively that people tremble. He attacks almost physically with his intellect—criticizing, demeaning, ridiculing, humiliating." Through his 17 years at the top of the world's most profitable company, Welch has eliminated hundreds of thousands of jobs, earning the nickname "Neutron Jack." A compelling new biography, *At Day's End: Jack Welch, General Electric and the Pursuit of Profit*, describes GE under his leadership as a company "managed by threat and self-interest, intimidation rather than encouragement."

In short, Welch does everything that psychologists and management gurus Daniel Goleman insists an effective leader must not do. That raises an interesting question: either Welch has succeeded in spite of his combative, intimidating nature, or Goleman's highly publicized theories about what makes a successful CEO are not as simple as they seem, perhaps, or wishful thinking rather than reality.

Whatever the case, there's no doubt that Goleman's message has struck a responsive chord in the business community and beyond. The current issue of the *Harvard Business Review* devotes 11 pages to Goleman's views on emotional intelligence. Working with David Salovey, he is selling briskly in both Canada and the United States, and Goleman himself has emerged as a sought-after and highly paid consultant to a variety of major U.S. corporations.

Whether he deserves all this attention is another matter. For one thing, Goleman's work is not unusual. The concept of emotional intelligence—a catchall term for such laudable virtues as self-control, trustworthiness and sensitivity to the feelings of others—was developed in the 1980s by John Mayer, a psychologist at the University of New Hampshire, and Peter Salovey at Yale University. Salovey and Mayer, in turn, were building on the work of educational

psychologist Edward Thorndike in the 1920s. Thorndike coined the term "social intelligence" to describe a person's ability to understand and relate to other people's feelings. It was also, by no means accident, the ability to understand and manipulate verbal and arithmetic symbols and concrete intelligence (the ability to understand and manipulate objects).

Goleman's genius has been to popularize and exploit what until recently has been a subject of interest mainly to clinical researchers. In his 1995 book *Emotional Intelligence*, he argued that people who are endowed with interpersonal skills often do better in life than those who boast impressive IQs. His most recent book applies that thinking to the workplace, suggesting that men and women with high levels of emotional intelligence, emotional stability, trustworthiness and integrity, as well as the ability to restrain negative feelings such as anger, are far more likely than their peers to rise to the top of corporations. Without emotional intelligence, he says, "a person can have the best training in the world, an incisive, analytical mind, and an endless supply of bright ideas, but he still won't make a great leader."

Those who lack the necessary attributes, Goleman believes, must be trained to acquire. While some other researchers maintain that emotional intelligence stems largely from personality and mood, and thus cannot be changed, Goleman is adamant that it can be taught. Indeed, he says, one of the beneficial side-effects of Goleman's views on emotional intelligence is its implications for workplace training. "There's a huge market for psychologists as executive coaches, helping people in the workplace build their emotional competencies," he told *Monster*, the newsletter of the American Psychological Association. Translation: there's a big money in this, guys.

Goleman's theories do have a superficial attraction. Stripped of all the psychobabble, what he's really saying is that nice guys finish first. But is that true? It would be fascinating to hear what someone like Jack Welch has to say on the subject. A word of advice, though: make sure he's in a good mood when you ask.

Stripped of the psychobabble, Daniel Goleman's message is that nice guys finish first

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## DOMESTIC IN DEBT

SkyDome Corp. filed for court protection from its creditors, blaming "changes in the sports, entertainment and economic environments" for the Toronto stadium's \$20.8-million debt. In a separate announcement, baseball's Blue Jays, SkyDome's major tenant, announced a 10-year lease agreement. Terms were not revealed. The stadium's largest shareholder, with 49 per cent, is Belgian beer giant Inbev, the multinational that also owns Labatt Breweries and the Blue Jays.

## LIVENT CRISIS DEEPENS

Two directors resigned from the board of Livent Inc., the Toronto-based live-theatre company that has filed for bankruptcy protection. Record producer Quincy Jones quit after Gar Emeryan, chairman of Toronto-based Rogers Communications Inc., left the board. Livent also cancelled dozens of concerts at Toronto's Ford Centre for the Performing Arts, but hoped to keep major North American productions like *The Phantom of the Opera* going.

## CANADA FALLS BEHIND

U.S. employment growth outpaced gains in Canada between 1993 and 1997, in both percentage terms and in the types of jobs created, Statistics Canada says. U.S. employment grew by 16.4 per cent compared with 6.5 per cent in Canada, in Canada, 68 per cent of the overall increase came from full employment, compared with just 19 per cent of U.S. growth.

## SECURITIES PAC IS NEAR

Provincial securities administrators across Canada were reportedly close to reaching agreement on a national system of securities regulation. The new system would handle most functions that are now provincially regulated, but would not eliminate provincial commissions. Rather, they would serve as an entry point to the national system.

## PAPER MEGADEAL

Purchase, N.Y.-based International Paper, the world's largest paper producer, said it will buy rival Union Camp Corp. of Wayne, N.C., for \$7.5 billion, joining the wave of paper producers seeking to slash costs amid slumping prices and booming Asian imports. International Paper hopes the merger will lead to annual savings of \$480 million.

## Exxon and Mobil talk

Battered by low oil prices, Exxon Corp. confirmed it is in merger talks with Mobil Corp. The \$50-billion deal would rank as the largest industrial merger in history. In a statement, the two U.S.-based firms said they could not guarantee an agreement would result but declined further comment.

In Canada, analysts say the deal would have little impact because the companies' Canadian-based Imperial Oil Ltd., 70-per cent owned by Exxon, and smaller, Calgary-based Mobil Canada are complementary.

The merger, which would create the world's largest oil company, would create two parts of the Standard Oil Trust legacy by the U.S. government in 1911. "I think what you're seeing is the



An Alberta oilfield. New prices loom.

Goldfish principle," said Doug Gowland, an analyst with Toronto's First Monitors Securities Ltd. "Bigger better and not sustainable." Oil companies have been battered by plunging prices—now averaging 51¢ (U.S.) a barrel. Analysts have predicted consolidation since British Petroleum announced a \$75-billion purchase of Amoco Corp. in August. In Canada, low oil prices have forced companies to retrench. Calgary-based Ranger Oil Ltd. has joined a growing list of oil firms to announce cuts, saying it will trim capital spending.

## Problems on the farm

Ontario has proposed a bailout for major American farmers that could provide up to \$400 million or more in emergency aid to help them through their worst crop crunch since the Great Depression. Similar amounts could be earmarked for the next three years, according to some reports. Federal Agriculture Minister Lloyd Vachell refused to confirm figures but predicted money could start flowing by

Christmas. Those suffering most—grain and hog producers—would be first in line. Vachell said he expects the provinces to contribute. Asian economic problems and global overproduction of grain and hogs have pushed prices to their lowest level in decades. Farm incomes in hard-hit Manitoba and Saskatchewan are expected to drop by more than 50 per cent this year. Some producers have abandoned farms or slaughtered pigs because they cannot afford to feed them.

## FINANCIAL OUTLOOK

Canada's economy will slow next year, but will not fall behind the G-7 industrialized countries, the Conference Board of Canada says. The Ottawa-based think tank predicted G-7 countries will average 1.3-per cent economic growth in 1998. Canada and France will both average 2.6 per cent growth in 1999 compared with 2.9 per cent and three per cent respectively in 1999.

Statistics Canada's composite index, a leading indicator of economic health, edged up 0.1 per cent in October from September as the stock market began to make up for months of losses. But there

### FARM INCOME

Net cash income for Canadian farmers (millions)



\*Estimated

the personal savings rate rose, raising the prospect that U.S. economic growth may slow significantly next year.

"The world economy is not out of the woods. Unemployment will increase in most of the world in 1999 and economies in Asia, Eastern Europe and Latin America will be in recession."

—Conference Board

"Canadian living standards are suffering as a result of the weak economy and the excessive tax burden on Canadians."

—Robert Burns



## Peter C. Newmann Lucien Bouchard's wily secrets of success

The results of the Quebec election, held after three weeks to press, were predictable. Lucien Bouchard understood the immutable laws of Canadian politics. Jean Charest did not. Unlike the Bible, this country's political operational code contains not 10 but only one commandment: remain firmly anonymous.

That sage advice dates back to the outbreak of the Second World War, when prime minister Mackenzie King had explicitly pledged there would be no conscription to force young Canadians to serve in overseas battle zones. But three years later, at the beginning of 1942 and with Japan in the war and the Allies retreating everywhere, the secret call went out for Canadian reinforcements. King decided to hold a referendum, asking Canadians to release him from his previous anti-conscription pledge. The results split the country in two. Quebec voted 75 per cent against, in the rest of Canada, 80 per cent supported King's radical change. To appease both sides, King adopted the slogan "Conscription, if necessary, but not necessarily conscription." That vague ambiguity accordingly refuted the Liberal leader's intention to involve conscription only under winning conditions. When the determining military situation forced his hand, he dispatched Canadians overseas—and won the next election, including 54 of the 66 seats in Quebec. On his private journal, King expanded on his tactic in analytical terms. "In politics," he wrote, "one has to fix as it was in a sailing ship not trying to go straight ahead, but inch around one's course, having regard to the prevailing winds."

Newly held secretary Jean, Lucien Bouchard latched on to King's formula. "Not necessarily separation, but separation if necessary"—explaining he would go for the long game alone only under "winning conditions." Five secured the Quebecer in this age of attempting to destroy any country, of being "let rest if not for sale," of having the ideological consequence of a slow end. But I shall never again doubt his political acumen. This is the smartest, smoothest political animal currently operating in these latitudes.

In contrast, Jean Charest can be the worst campaign since Jim Campbell. The Liberal leader adopted a straight ahead ideological platform, which, after all, was why he had made the sort of unproven policies. The worthy aim was to carry Canada's banner to the fight, stifling the province of those pesky conservatives once and for all. Expecting to be hailed as savior of the province's ancient soul, he was instead soundly rejected for not having the slightest inkling of how the Quebec political game is played. Watching him stumble through a poorly organized, one-man march of a campaign, the Quebec's voters were shocked into action and even the softest of the soft nationalists rushed to vote PQ or as a con-

science, cast their ballots for Mario Dumont's children's crusade. Charest suffered from the added disadvantage of having to run a tough campaign too soon after switching parties and terms. He had spent 14 years as a Quebec federal Conservative, and when he decided to leave behind his Ottawa anthems in April, to breed the desperate envious of Quebec's provincial leader, he entered an individual political zone. Everyone in Quebec, federal and provincial, still shy the people ethics of *l'honneur du Bègue*, whatever their current party label may be.

And the two political movements operate under very different traditions. Charest suffered from the same culture shock as Campbell when she noticed the federal Tory leadership and leaked into the election that followed without having had time to learn enough about her party. Neither leader had time to identify the significant local players—who could deliver the votes, and who ways it put for the patronage.

Charest inherited the *Dynamique* organization, nominally headed by Daniel Johnson since 1993, but built up earlier by Robert Bessière during his 14 years in power. It would take the wildest political year to master that machine. Charest had seven months. More important, the new Liberal leader mistook the current election for the 1995 federal campaign that he had fought so valiantly on behalf of his Canadian dream. That was a one-time campaign, and even with that advantage the *félicite* won it by only some 24,000 votes out of 4.7 million cast.

This week's election only temporarily had to do with Quebec's future in Canada. Bouchard's lightning-wave platform dismissed all but the defeated federalists. The majority of Quebec voters were more in tune to know independence

probabilities can be used to extract profits from the rest of Canada. Bouchard made no secret of that position. "Quebec is strong," he belatedly in every opportunity, "when a sovereign government exercises its leadership for the first time."

Most Quebecers realized that if the province elected Charest and stopped threatening to split up the country, Ottawa would ignore Quebec just like it ignores Ontario. Charest's adoption of some Mike Harris's policies helped solidify that view. But nothing was more damaging to Charest's cause than Prime Minister Jean Chrétien's declaration that any future evolution of Quebec's constitutional position was a dead issue. The blame for the Liberal's loss, if pre-election-right trends are realized, will have to be equally divided between the two leaders.

The flash point will be the margin of Bouchard's victory. If his instant ambiguity option is endorsed by more than 50 per cent of voters, Quebec and Canada will be plunged into yet another War of the Roses—this time with only a defeated and disgraced Jean Charest left in the field to fight for Canada. God help us all.

# The road to better health

*Is Canadian health care getting worse? Or is it simply changing? In this essay, Toronto health consultant and writer Michael Dexter, who served as Ontario's deputy health minister in the early 1990s and is now chairman of the Canadian Institute for Health Information, argues that such distressing events as hospital closures are part of a needed revolution in Canada's approach to care at the next century's dawn.*

BY MICHAEL DEXTER

On Oct. 4, 1988 the Calgary General Hospital was destroyed in 35 seconds by a series of explosions. The chairman of the steel, 116-year-old complex from the skyline was not the work of terrorism. Nor was it an act of God or a natural gas explosion. Rather, it was an organized, deliberate demolition carried out by the hospital's owners, the Calgary Imperial Health Authority. The 960-bed institution was simply no longer needed.

Although more dramatic than most of the more than 100 Canadian hospital closures, Calgary's experience is a clear example of the reduced costs/risks under way in health services. The shutdown of a hospital is traumatic for any community, large or small. Yet the transition from hospital beds to health services is essential. To treat illnesses with drugs rather than surgery, to conduct operations on a day basis, and to shorten stays for patients are all progress. The closure of more than 13,000 hospital beds in Ontario, fully 25 per cent of the total, is a victory for better care—and the rest of the health system is expanded and reformed to cope.

Nearly 30 years ago, my parents drove me to Cambridge, Mass., to begin my university studies. We crossed the American border south of Montreal in our Pontiac, bearing "Friendly Manitoba" license plates. I soon spotted my first New Hampshire license plate bearing the state motto, "Live free or die." It startled me, providing early, long-gone evidence of very different values in the United States. Our constitutional bedrock is "peace, order and good government," a very Canadian foundation for a nation, while the American Declaration of Independence sought "life, liberty and the pursuit of happiness." The values of Canadians are put in a firmly entrenched, if one approach to health care. In Canada, we have focused health care together. It is paid for from our taxes and given to those who need it. The Europeans call this the solidarity principle. We call it medicine.

Over the years, to dismantle the fundamental principles of medicine came from powerful interests. Organizations led by the B.C. and Ontario Medical Associations advocate a return to private medicine. Our



renowned newspaper campaigns for the right of the wealthy to opt out, for the privacy of the individual above the community in health care. But how long will the opt-out willingly share the tax burden? Isn't higher taxation still the price of a civilized society?

Most Canadians will regard medicine as an essential part of the national fabric of Canada. They are concerned for the health of their friends and neighbors as well as themselves. Canadians are reluctant to allow medical bills to climb a house or rob the life savings from a family as happens so often in the United States. Canadians rightly doubt the virtues of the American approach, which leaves 48 million people without health insurance coverage.

Yet Canadians are alarmed and frightened by some of the rapid changes in our health-care system. In Canada without medicine and possibilities? Unthinkable? Are we heading quackery or disaster?

In 1982, Timothy Douglas, the former Saskatchewan premier and founder of Canadian medicine, reflected on his program. "When we began to give medicine, we pointed out that it would be in two phases," he wrote. "The first phase would be to remove the financial barrier between those giving the service and those receiving it. The second phase would be to recognize and reward the delivery system—and of course, that's the big one: it's the big thing we haven't done yet."

Now we are rethinking and reorganizing. There are some tough problems. But concern and enthusiasm are not panic or desperation; are appropriate. Leadership and courage are essential.

Canadian medicine is not in a terminal crisis. It is undergoing necessary renovations and modernization. There is risk of erosion as care shifts from doctors and hospitals to a much greater reliance on drugs and home care. Medicine needs to expand to provide more



## A revolution is unfolding in Canadian care

**Dismantling  
Category General,  
author Dexter  
(left) change  
brought by  
consumers,  
technology,  
money and a  
different vision**

comprehensive coverage, as recommended by the Prime Minister's National Forum on Health. Without expansion we risk a gradual return of the financial burden to individuals. We need to achieve the second victory without giving up our first—the removal of financial barriers.

At the beginning of the 1990s, Canada had approximately 900 hospitals. Each had its own government board, building, management and clinical staff. Most had their own laboratory and kitchen. As we enter the new millennium, the rapid consolidation of stand-alone hospitals into 150 to 200 integrated health systems will be accomplished. Major restaurants will be under way in leading long-term care services and facilities. This is a positive step. Integrated health systems will link hospitals with treatment at home and care facilities like community clinics and nursing homes. In the new millennium, integrated health organizations will become the dominant association of health-care delivery.

We have learned to rely too heavily on expensive hospitals for all our health-care needs. More integration will allow us to redirect money towards new streams in health. And since technology allows us to treat many illnesses at home, we need to close more hospitals and put money in to home care and disease prevention.

Canada also urgently needs to reorganize its primary,

non-hospital services. Fee-for-service general practitioners, often in solo practices, are underproductive. In this information age, physicians must be part of a larger health-care team. As in other developed nations, we need primary-care organizations with a proper funding base. Nurses, pharmacists and other health-care professionals need to play a much larger role in clinics. Specialists must be retrained to encourage greater health, not more frequent visits.

As we approach the new millennium, powerful forces are reshaping health and health care and accelerating the transition. Studying health-system change will have a understanding these underlying forces makes their dynamics and energy. Yet it is all too easy to lose sight of what is really happening, for any of us. During the past two summers, I have endeavored to teach my young daughter, Genevieve, to sail. The first time out, a great if wind flapped on over. As we righted our capsize, without, Genevieve remarked sharply that I had said nothing to her about the wind. All of my lessons had been about the sailboat. Without knowledge of wind, one is an accidental sailor.

So it is for these amazing health-care many have spent too much time working on the sailboat. Without knowledge of the winds of change, they are accidental health reformers. And we are accidental citizens. There are today



# Essays on the MILLENNIUM

four strong winds blowing through global health systems, including Canadian medicine. They are, briefly, a different notion of health, a more demanding and knowledgeable public, new technology—in particular the chip and biotechnology, and the desire for greater affordability.

The first is a big, Canadian, but not so new idea: let's keep people healthy rather than simply treat them when they become ill. This quiet, gradual revolution in thought has been under way in health and health care since the 1974 Lalonde Report by then Health Minister Marc Lalonde. It contained the realization that much of the health gain in the postwar era came not from enhanced spending on the treatment of disease but from a set of broader determinants which prevented disease. The credit for our new longevity belongs equally to improvements in income, diet, housing, education, sanitation and other public policy and social factors. And, for our species, it is a remarkable gain. The World Bank informs us that in the past 40 years, average life expectancy grew more than it did in the previous 2,000 years.

Over the past 25 years, each of the industrialized nations has looked to the new map. Britain adopted "health goals" as its slogan and created a healthier nation as its perspective. The United States adopted "health goals." Canada is in some danger of having exported the theology of broader population health without really implementing it at home. Better late than never.

What are the practical implications of this revolution? Do advocates want a completely abandonment of the illness treatment system in favor of a redistribution of wealth? Not at all. The search for a framework for implementing broader health goals is under way in each province.

We have already seen an increased emphasis in Canada on "healthy" public policy. Compulsory seatbelt laws and harsher penalties for drinking and driving have done a great deal to save lives and reduce injuries. Binge drinkers and communities are introducing laws for the reduction use of alcohol. We have been cracking down on young people buying tobacco and confronting the problem of second-hand smoke in public places. Planes, trains and buses in Canada are now largely smoke-free. Generally, these intrusions by government are met initially with public resistance, but gradually become accepted social practices.

But we need a broader agenda. We need positive action on the issues that pose the greatest threats to life expectancy and health: unemployment, substance abuse, mental poverty and social discrimination, obesity, hunger, poor eating habits, adolescent suicide, AIDS. As social issues, not illnesses, these cannot be cured by doctors in hospitals. Instead, solving them must be the focus of our approach to improving our health as a nation. If we redirect our spending and follow it up with the right legislation, we can improve health where it is really needed.

Good housing policies have helped eliminate the stress and violence—and many communicable diseases—that plague overcrowded slums. And you need only look at how these problems affect the homeless to see that a good roof over your head and a safe, caring community make a great difference in your mental and physical health.

Income remains a major factor in health status. Medicare tore down the financial barrier between health care and citizens, but we've come to believe it has levelled the playing field in terms of health between rich and poor. While that was true. The truth is, the poor account for



## The chip is transforming the system

**Watching  
researchers  
use DNA scans  
to create new  
forms of innovation**

a disproportionate number of our sick. Wealthier people generally eat better, smoke less, live in safer communities, exercise more and are simply less likely to fall prey to the stresses and dangers of poverty.

As our investments in new drugs and technologies have yielded diminishing returns, and as disease categories such as cancer have remained stubbornly resistant to cure, attention has turned sharply to prevention. The linkage of many causal factors, particularly smoking and diet, to various forms of cancer has armed health advocates with an enormous lever to move to a new approach. The idea of ensuring health by the life expectancy of a population—particularly its disability-free years—has gained great momentum in the world community. No one is suggesting abandoning treatment of illness and curbing of disease, but there is a much greater focus on the health of a population. The patterns of disease and the search for root causes that may be altered. This very Canadian idea is now a global war.

The second powerful force is the change in public expectations. Without going as far as some of the other cherished principles of the Canada Health Act, Canadians want better and faster care—improved quality, speed, accessibility and appropriateness. The centuries-long era of dominion by doctors, based largely on a control of medical knowledge, is giving way to the empowered consumer. We are the most educated generation in history. We are the first consumers who can reach out through the Internet, into a CD-ROM, into a book or through the television to obtain health information. We can understand what is confronting our bodies. We can find out our risk factors. We demand to know the latest science and medicine in real time—anybody can.

We are frustrated as every other walk of life by a rapid increase in the pace of activity. We no longer have the patience for a biopsy in our back brace—the machine took machine has revolutionized. My 15-year-old son, Riel, expects the pain to come in 30 minutes or it's free. When two staples in his scalp, to close a bicycle accident wound, take 30 hours in an emergency room, he says the service sucks. The standards and expectations for speed developed in fast food, fast TV and banking are coming to health care.

But is also an increased demand for quality. The pain cannot be fast but cold. Quality is part of the speed expectation, not a substitute. Badly done surgery is not excused by being rapid.

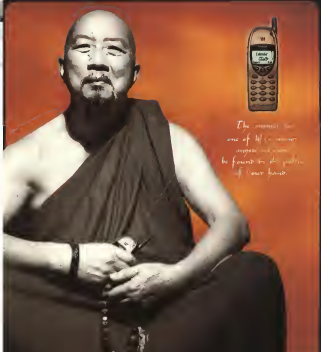
As a student, I toured the great old Fordham, Mass., car plant of General Motors. At the end of the assembly line, massive auto workers hammered doors of Cadillacs with huge rubber mallets. Only after serious pounding did the doors fit. When I asked one of our people what they were doing, she said, "quality control." Quality was an add-on, the big rubber mallet after the fact. Witness the success of the Japanese and German car industries that caused the shift to

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## Essays on the MILLENNIUM

Quality as job 1 at Ford. Quality was engineered into the product during the manufacturing process, not an add-on.

Quality control in medicine? Too often, it has been after the fact: the corner's inquest, the lawsuit from a grieving parent. It is only in the past few years that this same consumer pressure for quality and speed has come to health-care delivery. Quality has become Job 1 in medicine. Consumers will settle for no less.

For most of this century our health-care delivery system has been evaluated on the basis of inputs. We measured the number of physicians, number of dollars spent, number of hospital beds. Just about anything we could count was measured, and success was seen as building a bigger, better health system. Surgeons began to set in as it became apparent that draining rotaries accompanied much health-care spending.

As we moved through the 1980s into the 1990s, we had the rise of the outcomes movement. This is based on the fundamental proposition that it would be better to evaluate the success of medical and health interventions based on what happens in the end rather than in the beginning. This movement has fundamentally challenged the old methods of informal evaluation. If new drugs must be subject to double-blind randomized trials, say the outcomes advocates, why not look at the outcomes of all medical/health interventions? Does the surgery really work? Does the hospital stay extend life and alleviate pain? Does that new high-tech cure cancer?

Public report cards detailing quality, speed and outcomes of health services are rapidly being developed. The federal and provincial governments will support the idea of quarterly public report cards for regional health authorities and integrated delivery systems. These report cards will chart the health of the local community and could be used to reward those organizations that improve their performance. They will be provided because the public demands them.

Perhaps the most profound of the winds driving change in the health delivery systems worldwide is new science and technology. Two scientific revolutions are evident: biotechnology and digital. The science of our genetic engineering, the very core of our existence, is rapidly being unlocked. The digital revolution is also underway, as computing is being used to change, store and manage information, as cloning is being used to change delivery in a myriad of ways.

Dr. Francis Collins, director of the National Human Genome Research Institute in Bethesda, Md., has commented on the progress of understanding DNA, the library of life. "This is more important than putting a man on the moon or splitting the atom. Biomedical research will be divided into what we did before we had the human genome and what we did after." New diagnostics and treatments will readily follow—in, eventually, will come. The new millennium will witness wave upon wave of health innovations—reusable drugs, gene therapies, new vaccines. They will stretch our imagination as well as challenge our ethical foundations and values.

Fascinating as these technologies are, the most formidable engine of change in health care may be the chip. It is transforming how we think

about health and illness. Information, stored in vast databases, is manipulated to reveal patterns of health and illness, and to chart the outcomes from health-care interventions. To measure is to manage. So long as measurement lags, health care is measured infrequently and is accountable. There is not a single consumer device such as the personal computer to synthesize the information. Nevertheless, the silicon chip is embedded in everything from sophisticated diagnostic imaging machines, to electronic patient records, to handheld life-testing monitors for the bedside, to sophisticated telecommunications devices that allow massive labor saving. All of these innovations are chip-dependent technologies fundamentally changing how health-care delivery is organized.

A caution from poet T. S. Eliot in "The Rock," penned before the computing age: "Where is the wisdom we have lost in knowledge? Where is the knowledge we have lost in information?" Science, technology and information are complementary to wisdom, not a substitute for it.

Finally, the forces would a hurricane. The ongoing fiscal crisis has led to a massive efficiency drive in health services. Health-care cost containment has been a central issue in each of the industrialized nations for more than a decade. In Canada, our case of living beyond our means was particularly severe. All nations reduced the growth of health spending in the 1990s and lived with the restructuring set off by this necessity.

New technologies, new drugs and gene therapies will produce formidable financial challenges in health services as the new millennium is at appropriate to pay for Viagra? For those with what degree of illness or impairment? For those who want to enhance their lifestyle? For everyone? What about Prozac and its substitutes? For the depressed, where is the wrought miracles for more? For all those seeking to be a little happier? The challenges of reconciling what is technologically possible with what we should allow and pay for together will be extraordinary. Innovation will grind away at our determination to have affordable health care. Gradually, we will allow the share of our economy devoted to health to rise. We will demand value for each new dollar as we part with it.

These four forces are bringing about a phenomenal transformation in health-care delivery as we know it. They offer the potential of great transformative change, as well as the certainty of significant disruption. And this transformation some things will not alter. There will continue to be loud political debate about health and health care. No election campaign will be conducted without healthcare issues. But all of this is very Canadian and very healthy. Science about health care during our elections and in legislative bodies would be far more troubling.

We, the Canadians, are struggling to be Canadian until the challenges from our 5 billion fellow humans—rich and poor, many religious versus our plural look to Canada for leadership in health care. Sir Frederick Banting, co-discoverer of insulin, commented, "You must begin with an ideal and end with an ideal." I believe our values will be sustained and the challenges of old traditions and new technologies. We will continue to care for our neighbors as we enter the new millennium. We will take the advice we have given to others and improve the health of Canadians. Medicine will be renewed, not demolished. □

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# People

Edited by  
FRANCY JENISH

## Up to speed in a racy role

It was 1986, and Charlotte Laurier was only 12, when she first squeaked onto the big screen with a starring role—as Marion, the precocious and fiercely possessive daughter in Francis Ford Coppola's Quebec classic *Les deux solitaires* (Good Will Hunting). Now, Laurier is 31, and another Marion—Montreal writer-director **Manon Briand**—has handed her the most challenging role of her career: In *2 Seconds*, Briand's feature debut, she plays Laurie, a professionist mountain-bike racer who gets fired from her team and becomes a life courier in downtown Montreal. The actress, who had not ridden a bicycle since her teens, underwent 10 weeks of intensive training for the shoot. In the film, she cycles down stairs and swears through heavy traffic. "I don't like danger," she says, "but I had to develop a taste for it. I began to enjoy the role—those moments of navigation in traffic—and just the speed, and the strength that you didn't know you had."

Briand, 34 and an avid cyclist herself, supple mented Laurier "to find the freedom you get on a bicycle. It was a change of her whole adventure." Laurier wore no makeup and submitted to the unfail-



Laurier (right) with John Lowrie. They began to enjoy the role.

ing pace of wide-angle lenses. "For a woman who lived that way is very loose," notes Briand. "I wanted to make her look almost like an insect, like a bee." But Laurier says her greatest challenge was getting inside the head of her character, who is physically wild but emotionally timid. Laurier, who took off her clothes for a crowd of several hundred men in **Pierre Paladeau's** *Le Party* (1989), found it easier to play a stripper than a circumspect cyclist. "The stripper was passionate and dramatic," she says, "and so was I."

But in a skin tight racer's costume, she looked convincing. Filming scenes against the backdrop of a mountain-bike race at Mammoth Mountain, Calif., she was thrilled to be mistaken for a champion by fans, who demanded autographs. Laurier, who has just started to learn English, is unknown in Hollywood, but she has now had a brush with fame, California style.

## Two Canuck swingers score

The odds were daunting, but **Mike Weir** made golf history for Canada last week. In the final round of the 106-hole PGA Tour qualifying tournament at PGA West Golf Club in La Quinta, Calif., Weir fired a blistering eight-under-par 64 to become the first Canadian to win the grueling, six-day event. More than 1,200 players had entered the competition through earlier regional tournaments before the field was whittled down to 150 at PGA West. By prevailing against those odds, the 28-year-old Weir—raised in tiny Bruden's Grove, Ont., near Starns—collected \$75,000 (and, more important, earned the right to compete in the 44-tournament PGA circuit next season. "Winning means a lot to me," says Weir, who lives near Toronto in Draper, Utah, with his wife, Brian, and two-year-old daughter, Ellie. "The hard work I have been putting in has finally started to pay off."



Weir was not the first triumph for Canada in U.S. qualifying tournaments: this year. Early in October, 22-year-old **Anna-Nicole Kuharova** of Toronto, B.C.,



ElNaveg: Weir (left) he made golf history and she qualified, too.

ted for top spot at the LPGA's entry event in Daytona Beach, Fla. There are no playoffs in qualifying tournaments, so Kuharova could not settle the issue in extra holes. But the 1997 Canadian women's champion says that securing her 1999 playing privileges was by far the more important result. Just graduated from New Mexico State University with a degree in business administration, she is back in the Okanagan Valley, anxiously preparing for the January start to the LPGA season. "It's amazing to me," Kuharova said last week. "Everything has happened so quickly since I graduated, but I still feel like a college kid." Only now she plays for pay.



Consultant Anna Esmenaculi, Dr. Karynna, student Jeff Zakrzewski, Armitage's Istaitia

## The recruitment train

**T**hey say it takes a thief to catch a thief. The CBC is trying the same trick with hard-to-get computer grads. Frustrated by U.S. software companies across the border and snapping up the best and brightest information technology students, the bank decided to turn its recruiting drive over to the students themselves. With the help of an image consultant and a communications firm, the CBC's second IT division spent most of the past year strategizing and advertising from its cup at 300 or so computer-related events, letting these determine the message that went out the fall to campus recruitment fairs. Everything was on the table: from the logos on the recruitment booths to the way the bank presented itself as innovative and following its own lead, even to the slightly less-than-perfect lights that were given away as giveaways. "We grounded this in what people want," says Susan Armitage of Audite Inc., a communications, the bank's advertising consultant.

Other banks are following suit. Armitage

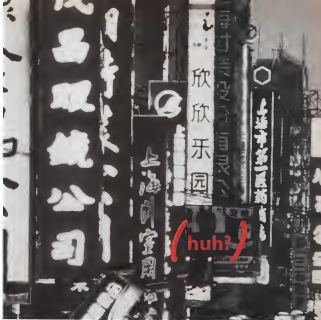
says, because recruitment tactics are becoming ever more intense. Uchit legend has it that Microsoft chairman Bill Gates personally phoned the top 10 computer science students at the University of Waterloo. Although faculty at Waterloo scoff at the notion, there is no discounting the increasingly aggressive pursuit of young talent. "I still want to attract people away from a job search," says CBC's Carol DeWaters, the manager of the project that is helping to lure 45 to 50 full-time IT employees and spring from 18 targeted university and college campuses. But a large part of the pitch is finding the right fit: prospective grads who are comfortable with the increasingly varied challenges and culture of a big bank. "Part of what we tell them is they don't have to wear suits," laughs DeWaters. But computer students who can almost write their own job offers these days also want to find out whether they can have a diverse and technologically challenging career—much bigger concerns: the bank's focus groups said, even their salary

## A right to search

Principals have the right to search students or their lockers if they believe drugs are involved or other school rules are being broken, the Supreme Court of Canada said on Thursday. The decision stemmed from an incident at a high-school dance in Halifax in 1995 when, acting on a tip, a vice-principal and a police officer found marijuana in the sock of a then-15-year-old boy. The teenager was initially acquitted of first charge on the grounds that the search was unreasonable. But the acquittal was overturned by the Nova Scotia Court of Appeal. A similar incident involving the search of a locker in a Winnipeg high school is before the Manitoba Court of Appeal.

## Words and gender: the gap is growing

**A**re schools failing boys? This is the question British Columbia Education Minister Paul Ramsey has asked teachers, principals and trustees to consider as they plan their long-term priorities. The reason is a comprehensive assessment of the reading and writing skills of 140,000 British Columbia students that showed girls doing better than boys in every category and at every grade level. The recently released results of a test that was conducted in May of students in grades 4, 7 and 10 contrast starkly with national tests for math and science where there has been no significant gender gap for 28 years. But in the B.C. assessment, girls continue to pull ahead in reading and writing: by Grade 10 only 12 per cent of B.C. girls were poor readers, 23 per cent of boys fell into the same category. "I was not really surprised by the findings," says Victor Friesse, a professor of language education at the University of British Columbia. "The question is, is this gender or society dependent? It starts in the home. But boys tend to have selection and guess what is mostly in the schools?" Friesse says the relatively poor academic performance of young males is "a problem we just aren't paying enough attention to." Minister Ramsey, at least, agrees.



## Coming to terms with parent power

**T**wo years since the introduction of parent-run school councils to replace or complement school boards, members of the experiment in parent power are starting to roll in. Earlier this month, Ontario's Education Improvement Commission acknowledged that parents' groups are often frustrated by principals and administrators. But

the commission stopped short of vesting the individual councils with more decision-making authority. Its main recommendation—that the ministry of education, school boards and principals involve parents' councils more intensively in the development of school policies and provide them with feedback on how decisions are made, also that the councils be given a portion of each school's discretionary spending for approval.

By contrast, New Brunswick, which abolished local school boards two years ago, is contemplating giving parents' groups even

more powers. A report at the end of October from a provincial review committee recommended that reorganized parents' councils be given the authority to set the priorities of their individual schools and then to approve the specific strategies that principals came up with. Until now, these live to 10-member councils had only an advisory role. People were frustrated with being told what they could not do, says committee co-chairman Joanne Hansen, a former trustee. "But they felt as parents that this system allowed them to be much more involved than ever before."

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# Health

## Loss of control

Michael J. Fox battles Parkinson's disease

The early symptoms can be minor and easy to ignore—a leg that drags when the victim is walking, an unexplainable difficulty focusing an earring or a voice that gradually weakens to a whisper. In the case of Canadian-born television and movie star Michael J. Fox, the first obvious sign came seven years ago when he noticed a twitching in the little finger of his left hand. He went to a doctor and learned that, like about 100,000 Canadians, he has Parkinson's disease, a neurological disorder that causes tremors, rigidity and progressive loss of control over physical movements. Parkinson's is incurable, and scientists do not fully understand its causes. The treatment has improved steadily in recent years with the development of new drugs and surgical techniques. Fox revealed an interview published in *People* magazine last week that he has undergone surgery in which some brain cells were destroyed to reduce stiffness and tremors in the left side of his body. "We have," says Dr. Donald Calne, a Parkinson's researcher at the University of British Columbia in Vancouver, "powerful ways of treating the symptoms of this disease."

But not of curing it. And even though drugs can often control patients' worst symptoms for up to a decade, they usually become less effective over time. Despite the difficulties, some Parkinson's patients—most notably U.S. Attorney General Janet Reno, even go as far as Billy Graham and Chinese leader Deng Xiaoping, who died last year at 90—manage to remain active for years. Fox, who declined interview requests last week, is still appearing in the popular ABC/CTV series *Spin City*. But he told *People* that rebranding him as a challenge—"I can't do things a million times. I can only do them once or twice." Parkinson's advocates, who praised Fox for making his illness public based on his reluctance to plead for cash to further Parkinson's research. "There is never enough money for this," said Ilse Mollebe, president of the Toronto-based Parkinson Foundation of Canada.

A remorseless and baffling disease, Parkinson's sets in when nerve cells begin dying in a region of the brain that produces dopamine, the chemical messenger that plays a key role in controlling muscle movements. Parkinson's tends to strike late in life—at 55, one person in 1,000 will get the disease, with the incidence rising to one in 100 after 65. But it can also happen much earlier; experts estimate that between 10

parts of their bodies and difficulty in moving. Eventually, they may develop a shuffling gait, a stooped posture and a lack of facial expression. As well, Parkinson's patients sometimes experience depression, personality changes and speech impairment. The disease can be exhausting and frustrating. "Things that you've never had to think about—tying a shoelace, getting out of a chair or turning over in bed—become very difficult," says nurse Susan Calne, coordinator at the UBC hospital's movement disorders clinic and Donald Calne's wife.

The array of treatments that can curb Parkinson's symptoms is growing rapidly—though new therapies can bring added problems. The first line of defense is levodopa, a drug first used in 1967, that the brain can convert into dopamine. As Parkinson's progresses, more and more doses of levodopa can trigger involuntary muscle movements. When that happens, physicians turn to "agonist" drugs that mimic dopamine and are often used in conjunction with levodopa. The combination can control symptoms—but it can also induce psychiatric events, including hallucinations and delusions.

Newer therapies are showing promise. During the past two years, surgeons have begun implanting electrodes in patients' brains that can control tremors and rigidity. "It's very dramatic," says Dr. Ivor Mendez, a Halifax neurosurgeon who performs the operation. "When the implant is in the right place, it stops the tremors." Meanwhile, clinical studies are under way in Canada and the United States to determine whether transplanted fetal brain tissue can restore dopamine production in patients' brains. The use of fetal tissue is controversial. But experts predict that, if the therapy works, doctors will eventually use laboratory-based brain cells for the transplants.

Science may finally be arriving at an elusive root of Parkinson's. Many researchers believe that exposure to an environmental toxin or a virus probably triggers most cases—and the hunt is on for the culprits. Hereditary factors can also play a role. During the past 18 months, American and Japanese research teams have identified two genes that cause some Parkinson's cases. Scientists hope that study of the genes may shed new light on the underlying causes of Parkinson's, knowledge that in turn might eventually yield a cure for a cruel disease that can slowly cripple without killing its victims.

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Pollan, Fox: he first felt symptoms seven years ago, at age 30

and 15 per cent of all cases are diagnosed in people under 40. Fox, who has been married for 13 years to actress Tracy Pollan, co-star of his TV girlfriend on the popular 1990s sitcom *Family Ties*, was just 30 when he first experienced symptoms. They have a nine-year-old son, Sam, and three-year-old twin daughters, Agathon and Schuyler. Symptoms usually begin with the trembling of a limb. But as the disease progresses, patients experience rigidity in



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# PICTURE PERFECT

With its unfortunate connotations of treatment meadows and holidays, the festive season is a time of indoor entertainments. And that's where books come in. The best of the fall gift books offer more visual thrills, not to mention intellectual stimulation, than most TV programs or computer games. Some favorites, chosen by Maclean's writers and editors:

**A**mid the growing stack of contemporary/untilled books, the standout so far is *The Century* (Doubleday, \$65), by broadcaster and Canadian nature Peter Jennings and veteran journalist Todd Brewster. At close to 600 pages, its strengths include first-person accounts of historic events—including that of a man who was alongside Lenin when the 1917 Revolution began in Russia. Many of the photographs have never been published before. The book's one flaw is its obsession with Americans at the expense of news from elsewhere.

*The American Century* (Knopf, \$70) by Harold Evans is also a hefty-weight tome at close to 700 pages, and makes no pretence of being relevant to any other country. But it is well researched and written, and also boasts many rare photos. *National Geographic: Evolution to the 20th Century* (National Geographic Society, \$50) is smaller and describes events in bite-sized morsels of one or two paragraphs. And *The Life Milestones: The 100 Most Important Events and People of the Past 1,000 Years* (B. B. T. Press, \$29.95), at less than 200 pages, is a prettier little package for those with only a mild interest in history.

Photographer Javeri L. Seidell was on the staff of *National Geographic* for more than 30 years, and *Rite of the Beholder* (Random House, \$30) provides 120 photos from his visits to 130 countries on every continent but Antarctica. The images range from a confident flash of Iran at its September 1987 coronation to a cigarette-puffing West Virgin coal miner trying to convince his 15-year-old girl, drenched on a bed in her wedding gown, not to marry an unemployed Hollywood actor.

One of the most satisfying ways to experience the heartland of Southeast Asia is to wade into the shifting sea of bodies, blues and cars that typifies street life in many cities. For *Chasing Rickshaws* (Random, \$32.95), Lonely Planet guidebook founder Tony Wheeler and photographer Richard Hanna visited 12 cities, including such as common choices as Penang and Hanoi. The vivid photographs of wheels and their riders freeze-frame a local life that too often passes by in a blur. Bill Lee, the editor for the 21st century's *The Canadian Geographic World Atlas* (Pitkin, \$79) certainly has all the information about the world anyone would need to arm himself for the new millennium. The maps—including 12 double-page spreads—benefit from state-of-the-art computerized terrain modelling. But there are also annotations and sketches on industry, environmental issues and standard of living.

For anyone who lived through last January's devastating dose of freezing rain, *The Ice Storm* (McGraw-Hill & Stewart, \$24.95) is a compelling visual reminder of the most destructive weather disaster on record in Canada. A confirmed client of these newspapers, the book features striking pictures from Eastern Ontario and Quebec, where the storm left millions without power. Montreal Gazette writer Mark Shley skillfully chronicles the storm's impact, which prompted the largest ever domestic military operation.



Merlin's Secret (left), *Angry from Coral Seas* (right), Cassini's Portrait of a Little Girl—an art gem—made, showing pictures from the deep, a painter's feminine antebellum



Water. Ferns. Ferns and photographer Andre Gaultier have teamed up to give to those earlier works. *Water and The Great Lakes* series covers the decline of the Atlantic cod, Pacific salmon and the white populations, among other subjects, while Gaultier's striking photos, along with a healthy selection of historical pictures, illuminate the text.

*Light on the Water* by Keith McLaren (Douglas & McIntyre, \$45) probes that British Columbia has as much of a maritime character as the three Maritime provinces. More with period photographs than with text, McLaren—himself a ferry captain—chronicles the industry's 100-year history on the West Coast during the late-1800s and early 20th centuries. There are shots of sailing ships, luxury liners, fishing boats and warships.

Anyone who has associated or soiled deep or dreamed of taking up those activities will thrill to Roger Stacey's 340 monochrome photographs in *Coral Seas* (Pitkin, \$50). Here there is plenty of brightly colored sea creatures—some new to science and never before depicted—but the book also includes microscopic pictures—showing, for example, the growth of coral. And the images including both the above- and below-water realms are simply evocative.

Celebrated nature photographer Art Wolfe's rich, full-color pictures in *Rainforests of the World* (Random House, \$62) range from sweeping vistas to intimate portraits of poachers, poison traps and other forest denizens. And while some coffee-table books, the text actually enhances the photography. British naturalist Sir Geoffrey France describes the ecological workings of the rainforest and the challenges of the future.

Not only is Stacey's *Black & White Seas* (Pitkin, \$45) an internationally acclaimed photographer, but he also has a master's degree in ecology. His latest book, *Odyssies* (HarperCollins, \$32), combines both aspects of interest. Annually for more than 25 years, Pitkin has travelled to Alaska and the abandoned dam-dredging towns of southern Norfolks. He draws on these experiences and series of 20 illustrations on topics such as the vastness of life and the importance of love. As well as illustrating such ideas, the superb pictures can inspire the reader's own reflections.

With *Visions of the Goddard Program*, \$30, Toronto-based photographer Courtney Miller continues in the tradition of his acclaimed earlier books, *The Sacred Earth* and *Spirit of the Land*. This time, he focuses on the Earth Mother in all her various guises, whether as Maatzi Kanaak Quae, the Anishinabe creation figure whose image is enshrined in Petroglyphs Park near Peterborough, Ont., or as Guu, the oldest deity on Greco's Mount Parnassus. Miller's wife, Sherard Miller, ably describes the history and significance of each goddess.

*Andersson's Wilderness: Polarities: The Birds of Canada* (Key Porter, \$52) is a companion piece to a major exhibit of the same name now in Vancouver and touring Canada during the next two years. The book features spectacular reproductions of 100 hand-colored engravings by famed naturalist John James Audubon (1785-1851). Wildlife historian David Lamb's text explains Audubon's significance as both a scientist and an artist.

The season's most spectacular art book has got to be *Michelangelo: The Complete Sculptures, Drawings, Architecture* (Penguin Group, \$110), with text by U.S. Michelangelo scholar William Wallace. The large-size tome has all right reproductions of lesser-known works and famous ones such as David and the Sistine Chapel, as well as numerous photos of details, and even a section on the artist's architectural designs. A feast for the eyes.

Most people know about Alphonse Mucha from posters of his work hanging in college dorms. But *Alphonse Mucha: The Spark of Art Nouveau* (Talis, \$24.95) shows that the Czech-born artist (1868-1920) created much more than pretty posters for plays featuring Sarah Bernhardt. This catalog for a Mucha exhibition that has been touring the United States since earlier this year includes numerous reproductions of Mucha's influential turn-of-the-century posters in Paris, while also showcasing his evocative drawings, paintings, photographs and jewelry designs.

Another catalogue for a show touring the United States, *Mary Cassatt: Modern Women* (Museum, \$65) is a thorough treatment of the ground-breaking American painter (1814-1906), who brought a distinctly female sensibility to painting. The 124 color plates include many of Cassatt's powerful depictions of mothers and children.

The return of *1911* (Douglas & McIntyre, \$25) first published in 1986, is a fitting way to mark the death earlier this year of the world's



renowned Hindu sculptor. A chapter has been added by author Doris Shults covering the last 12 years of Raft's life and includes photos of Raft's outstanding final work—the 60-foot-long, almost four-story high bronze *Spirit of Hindu Ganesha: The Jade Ganesha*, now in the Vancouver International Airport. The book also includes several pages of text and pictures chronicling Raft's ceremonial burial at the Hindu village of Tsimshian in the Maricao Archdiocese.

It is sometimes forgotten that modernism is art across the world, as the result of a complex interaction between centuries-old local traditions, Western influences and the changing geography that has shaped local culture. *Inside Art* (Doughs & McLean, \$60), by Ottawa art consultant Ingo Hessel, does an admirable job of tracing the roots of this diverse culture, illuminating the text with maps, historic photographs and 120 color plates and 35 black-and-white photographs (by David Hessel).

Langley, B.C., writer and painter Michael Mackenzie set out with his notebank and sketch pad, and visited communities from Bay de Verde, Nfld., to Tofino, B.C., in *prairie: Canada: A Journey of Discovery* (Raincoast, \$49.95). The result is a charming book of history and personal reflection, illustrated by the author's evocative watercolor

Anyone who has spent any time in Kingston, Ont., has been to—or at least heard of—Ches Puggy, the 20-year-old restaurant run by Zed Nussovsky, who is an earlier incarnation played with the band The Lady's Spangled.

and his wife, Rose Richardson. *The Ches Piggy Cookbook* (Firefly, \$24.95) includes recipes from the restaurant and bakery, compiled by Piggy chef Victoria Newbury. The restaurant is fun and eclectic and so are the recipes, ranging from potato-crusted goat cheese to African yam and peanut soup.

Ernest Laigue and the two fat ladies are the biggest attractions on the city's Food Network. But for many serious foodies, the real star of the celebrity cable channel is Mario Batali. In *Simple Italian Food: Recipes from My Two Villages* (Random House, \$45), Batali gathers some of his favorite recipes from the northern Italian village of Borgo Capoteto, where he lived for several years, and New York City's Grecco with Village, where he is co-owner of two restaurants, Pizzeria and Bibblio. As with his Food Network show *Mediterranean Home*, in the book Batali combines household recipes with interesting food lore.



**Life, Learning**  
Albert, who has been writing, has accompanied by her research book. Private facts are the shot of John with Yoko Ono.

Jeffrey Alford and Nuala Duggan are globe-trotting Toronto-based photographers, writers and food lovers. They combined those interests in their first book, *Flatlands and Flavors: A Baker's Atlas*, and have done so again with *Seductions of Rice* (Random House, \$45), a travel/ethnography recipe book. It's all here—basmati, arborio, sticky rice, red rice, brown rice—in a chock-full array of recipes.

Along with rice, vegetables will be among the foods of the next major health-and-sustainability-conscious century. *And The Vegetable Bible* (Frogan, \$46.99) has everything you always wanted to know about burdock, butternut and fiddle, not to mention a more conventional 31 plants. Along with detailed information about selecting and storing vegetables, there are scores of recipes.



Swiss Nianaris reserve at Queen Charlotte Islands, from Seacoasts; Stanfield photo of a Swiss chocolate bar, Canada, the world

Spring is usually the season for a fresh crop of gardening books, but what are gardeners to do until then? They can wide away the fallow winter months with **THE NEVER MARRY A FARMER: LOBLOKE ON VEGETABLE GARDENING** (Princeton \$40). So, loblo, one of Canada's best-known gardeners, asked an unusual but charming hybrid—80 color photos by Akemi Matsubuchi—for interspersed with her tales of living on a farm for growing 26 posche vegetables.

Lesson solved and curled into a fetal position the night before his murder (perhaps). Rolling Stone has chronicled the life and... **Rolling Stones: The Complete Covers** offers a rich panorama of 770 cover images by journalists. It is an art that moves from a loquacious subject, Mick Jagger, who has

**Have Changed the World, Through the Writers** (Publishers Group West, \$43.50) is a collection of a marjorling executive, but assure. The black-and-white portraits may not many of the subject writer combinations (Isabella Rossellini as Grete Garbo and father's lover, Fika Kahlö

always be a pasture for a small minority, but of themselves interested in **World Mounts**. **Great Mountains by the World's Great**, 564 pp., edited by Audrey Salfield. The notes from the highest mountains of the globe, the major climate.

the *Game: My Story*, by Michael Jordan, is packed with photos of Jordan jamming. Interspersed with the artwork—that sometimes make the words as close—as Michael's story, including comments on Bulls brass to his own inflexible ability (see *here*?)

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to pachyderms

BY JOHN REMORSE

As the pleasure of a good controversy. Perhaps the most surprising event in the recent history of Canadian publishing has been the creation of the Giller Prize for fiction. Since it was established in 1994, the Giller (worth \$25,000) has provided a counterbalance to the Governor General's Award, at least in the realm of novels and short-story collections. When the GG (worth \$10,000) was the only prize in town, it had a kind of absolute authority on the subject of which to be the best. But with the Giller on the scene, the writer subjectivity and even absurdity of trying to pick winners in a field such as fiction became clear. This year, famed short-story writer Alice Munro won the Giller, yet she wasn't even nominated for the competing prize. The resulting haze of protest acutely dropped out the fact that several other writers suffered the same fate. Is it really possible to tell whose books are the best? Or can only the passage of time and the judgments of generations of readers discover the real winners?

Such questions are not likely to stop people from making their own lists of favorites. The following are one reviewer's choices for the best fiction from the fall of 1996.

Never mind what those prestigious blue-jackets over at the Governor General's Awards say, Alice Munro's ninth collection of short stories, *The Love of a Good Woman* (McClelland & Stewart, \$22.95), is a much better book than the one they chose, *It's a Kind of Love* (Dutton by Diane Schoemperle). Like so many master writers, Munro works out of a parable, while her tales can touch deep emotions in the reader; their narrator's style is cool and clear-sighted—almost indifferent. It seems to the critics described. In the unforgettable title story, Munro evokes a small Ontario town through the eyes of several boys who discover a body in the local river. Disturbingly, she lets nearly 30 pages go by until she introduces Edie, her heroine, a nurse whose passion for guiding others through the strains of pain and sickness us leads her into Desjardins's *depths of mystery and mortal danger*.

Overlooked by the judges for both prizes, M.T. Kelly's *Save Me, Joe Louis* (Knickerbocker,

\$22.95) is a flawed but compelling novel about a gifted young boxer, Noble Blackstone, who must struggle to escape the suffocating influence of the trainers and well-wishers who want to feed off his success. Combining a sense of reality with an exhilarating descriptive precision, Kelly has written the best book about boxing and its claims to have come out of this country. He can suggest the sport's violence with a few telling details (he evokes the sound of "the wet pieces of the skull skidding" from the force of a punch) and the even more dangerous violence of those who train for a young athlete's work.

In *The Boy of Love and Sorrows* (McClelland & Stewart, \$22.95), as in his earlier books, David Adams Richards uses short paragraphs and a blunt, almost awkward style that has the garbled, surprising beauty of a good walking stick. Set in a New Brunswick coastal community, his novel focuses on the murder of a young woman to probe deep into his native's secrets—and ending Michael Sied. A rich boy who spends a summer slumming with petty criminals, and finds that leaving them behind is not as easy as he supposes.

Barbara Gowdy's ground-breaking *The White Horse* (HarperCollins, \$25) takes the traditional animal story to new heights. It follows several herds of African elephants running a gauntlet of every hazard as they search for the safety of a game park. Clearly, real elephants do not talk and think in fine English sentences, and Gowdy's do, but she has created a believably rich consciousness for the great beasts, which makes it impossible to look at them quite the same way again.

The most difficult Canadian novel of the season is Greg Hollingshead's *The Reader* (HarperCollins, \$25), the dreamily written tale of a weak young man, a journalist, who heads north to write a story about a young woman reputed to have healing powers. Not only has she given up healing, however, but she seems almost hypnotized by her domesticating, dominating father. Like an old-time story in a fairy tale, the young man must suffer to reach her and the must allow her to grow into her freedom. Although the novel sometimes feels overworked, it fascinates by exploring issues of identity, will and the human relationship to nature, in a style as complex and subtle as the movement of the story through growth.

Lovers of mystery fiction might not care for the exaggeration and broad comedy of *The Copy of Unrecorded Dreams* (Knopf, \$24.95), Wayne Johnston's tale based on the life of the legendary Joey Smallwood, the first premier of Newfoundland. But its portrait of the distinctive problems with the big nose and even bigger ego (a nose, Johnston effectively shows, far too large to fit in its hole) develops a more than that carries through to the hilarious end. Some reviewers have complained that Johnston fails to catch the real Joey Smallwood, but the book's best passages longingly reflect something even more important: the apocalyptic optimism and humor of the people of The Rock. □

# PAGES OF PROMINENCE

Three full-length nonfiction writers by Canadians are showcased by big-name subjects—national icons like Pierre Trudeau and such international stars as Rudolf Nureyev. The most intriguing of the authors, selected by Maclean's writers and editors

Among the Canadian nonfiction writers who took inspiration beyond the country's borders is author and historian Michael Ignatieff. In *Josephine: A Life* (Viking, \$32), two full-length biographies of the great 20th-century philosopher of liberty, he does a superb job of linking the philosophical and political to the personal. Berlin, the precocious only child of a Jewish merchant family, fled the Russian Revolution when he was 11, and then flourished in England through the rest of his long life as Oxford don, BBC commentator and British diplomat. But he never lost his outsider's detachment or the belief that only freedom could keep competing values from clashing violently.

*Nureyev: His Life* (Harvard, \$37) by Toronto native Otfre Solov, is the most complete biography to date of the great Russian dancer who defected to the West and proceeded to set the Western dance world aflame with his electrifying leaps on stage and his tumultuous behavior off it. That complex portrait reveals a Nureyev as no mere dancer, as a controversial musician, as a fiercely engaged with the public that he once courted as an impatient Chicago audience with a string of obscenities.

*The Gilded Leopard* (Douglas & McIntyre, \$29.95) by Vancouver's Wade Davis is a treat for anyone concerned about the health of the planet and its indigenous cultures. A widely travelled ethnobotanist with the eye of a poet, Davis has written these essays and articles for several magazines. Taken together they offer an unforgettable portrait of the earth's last wild places, from Baffin Island to the rainforests of the Amazon.

Other Canadian writers stayed closer to home for their subject matter, in broadcaster Pamela Wallin's case, the writings range from *Wildfire, Saskatchewan*, where she grew up, to *Ottawa and Toronto, locales for her greatest triumphs and failures* (*See You Again* (Random House, \$32.95) is a well-crafted autobiography, but Wallin fans are likely to get more out of it than new-pen-pals. That's because the terms of a settlement with the CBC prevent her from



Nureyev: much of the top evolution by Canadians focuses on inventors and shakers



spilling the real dirt on her high-profile 1985 fling from the public broadcaster.

Timothy Findley, one of Canada's best-loved authors, created a number of his novels, including *The Glass and the Mirror*, at his rambling 19th-century farmhouse northeast of Toronto. His new book, *From Stone Orchard: A Collection of Memories* (Penguin-Picador, \$34) finds the author ready to leave Stone Orchard, his home since 1964, and to relocate to Stratford, Ont., and south-ern France. The essays take readers on a poignant journey across the rolling hills and through the seasons at Findley's retreat.

Pierre Trudeau is a perennial favorite with Canadian authors, and 1999 is no exception in *Trudeau's Shadow: The Life and Legacy of Pierre Elliott Trudeau* (Random House, \$34.95), Andrew Cohen and J. L. Gosselin have collected essays by 24 contributors with a wide range of opinions on the former prime minister. *The Essential Trudeau* (McClelland & Stewart, \$19.95) is basically Trudeau on Trudeau, a collection of his writings edited by professor and Canadian journalist

and commentator Ron Graham.

Other writers have taken a look at Canadian business. In *The Enrons: The Rise and Fall of Canada's Royal Family* (Stoddart, \$32.95), author Rod McQueen does a superb job of bringing the leader's history to life. In the process, he illustrates how the once-raghty Enron retail empire reached such a sorry state that it sought bankruptcy protection from its creditors last year.

The story of the Valley's Bay incident discovery in *Calculus* has it all: cruddy prospectors, slick stock promoters, concerns about aboriginals and the environment, and political opportunism. *The Big Score* (Douglas & McIntyre, \$29.95), by veteran business writer Jacques McNish, weaves together all of these colorful threads in a brisk account of the struggle for control of the deposit. And McNish explains how the fear and greed inspired by Vasey's Day set the stage for the industry convulsion known as the X-Materials.

*Reveries: The Dark Mystery of the \$12-K Gold Rush* (Viking/Penguin, \$32) is the latest of five books on that subject, and worth the wait. Author Jennifer Wells, who covered the stock-trad saga for *Maclean's*, offers a wealth of insight in a book that is both critically researched and elegantly written. Michael de Guzman, the prospector who claimed to have struck gold in Indonesia, emerges as a man who so desperately wanted to keep money flowing into his drilling operations that he sealed the sample bags—then found himself trapped as the deception spun out of control.

Current Maclean's writers and contributors have also been busy on the books front. Will Dunn (Penguin, \$49), columnist Peter C. Newman has completed the trilogy on the Canadian Establishment he began 23 years ago. This latest installment focuses on the outsiders who have won Establishment status. Contributing editor Steve Connor's newest work, *Ellen West* (Macmillan/McClelland & Stewart, \$29.95), is the world's tale of Montreal law lawyer Bruce Verbeke, who committed suicide after falling into personal and financial ruin. Finally, Senior Business Correspondent Ross Laver has written *Random Excuse: The Wild Ride of Michael Compton and Corel* (Viking/Penguin, \$32), a chronicle of the Ontario-based software company and its flamboyant founder.



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BETWEEN THE COVERS

# DANCES WITH DEATH

**Morbidity stalks  
the best fiction by  
non-Canadians**

BY JUDITH TIMSON

A part from the almost overweening ambition of *Flora White* is all it [all] in his 799-page poppy whopper *A Man in Full*, the most notable books of the American and British dual literary fiction season came from authors content to serve up their view of the human comedy for tragedy (for that matter) in measured portions—a warty, here, a short story there, a crust on the run. In fiction, especially, it was a cool, dry season, with not all that much to warm the soul. Nevertheless, *Joe Black* up on the scene, death was also a major literary character, showing up in various guises—death by murder, death on the battlefield, death from correct death even from a bizarre enthusiasm pact. In fact you could call the whole season death-fiction. Here are six of the most intriguing books.

In *Birth of America* (Knopf, \$22), author Lorrie Moore's heartbreakingly funny collection of short stories, unsettled characters are dispossessed of everything but their own women drift away from understanding their ranges, men migrate from one outpost of the soul to the next, couples sink into sadness over their inability to produce, parents wrestle to soothe their terror about a sick child's well-being. But they all keep saying the funniest thing: "Your friends put me like as in the nice one husband tells his wife, after which Moore deadpans, "Overboard to recorded all marital conversation sounds as if someone must be joking, although usually no one is."

Moore's darkly comic vision takes in, among other subjects, a tense mother-daughter trip to lose the Blaney stone in Ireland, a horrifying accident in which a woman accidentally drops and kills her infant's baby, and the emotional warring of a mother whose child undergoes surgery for cancer. Yet the tragedies are not brooded, and Moore's serene thoughts are as memorable as her jokes: "There was nothing as complex as the world—as flower or stone—as a single hell from a human being." If there is a fine line between 12 stories, it is that people in real life are just not as



real as *Commentary* is maddening and wonderful, but it reflects itself with tragic pity: how character can smother disastrously with ideology and with an eloquent meditation on the nature of betrayal ("each soul is its own betrayer's factory"). Even though reading this book feels harder to how one character describes his life "like one long speech I've been listening to," McEwan's writing remains a source of energy and wit.

Simon Munt, by contrast, is a cool, lyrical writer whose third novel, *Evening* (Knopf, \$22), is filled with scene-satisfying images. Ann Grant, a beautiful woman in her 60s, is dying of cancer. Her children (ten in her small, gleaming marriage) gather in her New England home, and a nurse attends her. Ann floats in and out of morphine-enhanced reveries that are both piercing and tender. Married three times, Ann seems always to have been a wife, but what fully engages her is the need to finish a short, passionate encounter she had in her 30s with a man she has not seen since. They meet at a summer wedding at which a tragedy occurred.

Munt goes deep inside her character to present a kind of emotional travelogue, with images that burn sensually through the mist of memory—a wren's July web, the seal of a fish swimming on apple beside a yellow lemons. Hypnotically beautiful, Munt writes about the fact that a seeing something experience could have everything—or nothing—to do with the rest of one's life. It is also about memory itself—how life is lived and then reduced in the mind, up to the very last breath.

In British author Ian McEwan's *Amsterdam* (Knopf Canada, \$21.95), this year's *Twister* from wicker, more than just

McEwan, Moore (below) sister, emotionally

death as Moore makes them out to be. Still, you wish they were.

*Twist* did not quite describe it. Married a *Commentary* by Philip Roth (Omnibus, Allen, \$22). It's more like a witty rant, and a revenge-fueled one at that. Roth, whose previous four novels have won four major American literary awards, is not at his best here: only as his antithesis. He has a score to settle. Others side, the author continues his portrayal of the American postwar scene, this time with a complicated tale set in the McCarthy period from Rita (born in Russia) is a radio actor and passionate *Commentary* with an unfortunately brutal past, who falls in love with silent film star Eric France, an actor in "steeped like a to be a genuine artistic profession." A requited beauty with a difficult daughter. Eric betrays her husband with a trivial book (*I Married a Communist*) and ruins her career.

The story of Rita's exposure by his wife marries the real-life betrayal of Roth by his mistress ex-wife, the actress Claire Bloom, who two years ago published her own husband and tell books. *Twist* is a novel, claiming Roth was a twisted and arrogant woman forced her to abandon her daughter. *Twist*

novels are taken. This other slight, critical novel examines a long friendship, a non-union pact between a famous composer whose creative powers are waning and an editor whose usually respectable paper is about to pull a covert mission in a major sexual scandal. The editor's wife intervenes to save him. Then, being married, the editor's mission is revealed as his own. *Twist* is a full cross-dressing opera.

In spare, compelling prose, McEwan deftly pits his characters not so much against each other as against their own catastrophic mood choices. There's not much to involve oneself in carefully here, but McEwan gracefully sits at the risk of exposure that these men of public substance and private frailty face. "We lie mostly submerged, like ice floes, with our visible social selves projecting only cool and white. Here was a page before the waves of a man's privacy and turmoil."

*Twist* as *Summer*, by William Trevor (Knopf Canada, \$22.95), also shortlisted for the Booker, is a stunning novel about a series of deaths that change the life of Thelma Dawson, a country gentleman whose cool manner covers up a turbulent soul. The renowned Irish novelist offers a bit of compassion and warmth as he recounts what happens after Thelma's wife, Lillian, whom he never really loved, dies, leaving him with a newborn daughter to raise, and a mother-in-law who comes to stay. "No one can predict what living in close quarters with a man who married your daughter for her money will be like," is Trevor's way of saying life can be complicated, even in the serene English countryside. When a third and final person disappears by the money shows up, money shows up and tragedy follows. *Twist* in *Summer* takes in the lives of the underclass as well as the gentry, and despite the deaths, offers hope and sweetness.

Beryl Bainbridge's *Master George* (Publishers Group West, \$20.95), another Booker nominee, is a soul and a scintilla of wit. Bainbridge's novel is set during the time of the Crimean War. It is filled with grotesque images and characters who never quite command sympathy. The title character, George Hardy, is as close as an image in a faded old photo. He is a Liverpool seaman and another shipwrecker with comical personal sorrows: a woman he loves, a woman, his children fathered by another. His real sexual inclinations are to upward boys. George's story begins in a brothel in Liverpool and ends on a Crimean battlefield. Bainbridge tells her story with *McEwan* kind precision. In writing that is laconic and chilling, the details of George's life are carefully sketched by three main characters: a woman, a girl, Myrtle, who is really in love with him, Pompey Jones, the aforementioned street boy who shares his bed, and the book's end, Dr. Potter, Hardy's brother-in-law. They wander around the brutally depicted carnage of a Crimean battlefield, trying to make sense of the macabre, as George Hardy battles to survive—what a life!—a last end. □

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## NONFICTION KNOCKOUTS

Some of the season's most compelling nonfiction by non-Canadians, selected by Maclean's writers and editors

One of the biggest surprises thus far is in a book about a dictionary that reads like an engrossing Victorian novel: *The Professor and the Madman: A Tale of Murder, Insanity, and the Making of the Oxford English Dictionary* (2006) by Simon Winchester. Winchester uncovers the strange story of Prof. James Murray, who oversaw the monumental task of compiling the Oxford English Dictionary, and of one of his most prolific volunteers, a madman named William Minor. Minor was an ordinary amateur lexicographer; he was a convicted murderer who made his suggestions while incarcerated in the Broadmoor Criminal Lunatic Asylum. The story of Murray and Minor's unusual collaboration—and friendship—is doubly strange.

Other profiles of real-life figures make for engrossing reads. Two books about Charles Lindbergh, whom May, 1927, became the first man to fly solo across the Atlantic Ocean, shed light on the tall lanky toad on the 20th-century's first media superstar. In *Lindbergh* (Dale Sales, \$41.99), U.S. historian A. Scott Brewer provides an entertaining,warts-and-all biography of the aviator, including his flirtation with Nazism. Beret Lindbergh covers similar ground in *Under a Wing: A Memoir* (Quixote, \$32.50), but from the perspective of a loving daughter.

On Feb. 22, 1994, a brash and swarthy black kid, first coming by his original name of Cassius Clay, punched his way to the top of the boxing world, becoming world champion by defeating the reigning titleholder, Sonny Liston. In his cocreator and compelling book *King of the World: Muhammad Ali and the Rise of an American Hero* (Doubtful House, \$24), David Remnick—now editor of *The New Yorker*—portrays the fighter's ascent from an underprivileged child in Louisville, Ky., to arguably the most famous man on the planet by the end of the 1960s.

The *Victors* (Dutton, \$41) by Stephen E. Ambrose, is drawn from the many books the eminent American historian has written about



**Muhammad Ali and Sonny Liston: executive**

the Second World War. Based on hundreds of interviews with veterans, this compelling soldier-on-the-field study starts with the Allied landings on D-Day and ends with victory in Berlin. American is emphatic, the book also gives glimpses of Canadian fighting men, including the soldier who lay down on barbed wire so his mates could

**An Empire Wilderness Travels into America's Future** (Random House, \$35.95) by Robert D. Kaplan, a contributing editor of *The Atlantic Monthly*, offers a fascinating portrait of a United States increasingly split between a new wealthy class benefitting from the high-tech global economy and a vast underclass for which the privileged are reluctant to take responsibility. However, Kaplan finds a ray of hope in Canada—specifically in Vancouver where controversial public spaces are shared by all.

For lighter fare, Pulitzer Prize-winning American humorist Dave Barry finds plenty to laugh at as he reaches the half-century mark in *Dave Barry Turns 50* (Random House, \$28). The author pokes fun at such acts as dancing the Michael Potato and smoking quantities of marijuana—and especially at boomers like himself as they mope into career-rat materialism now consoled by their own nostalgia. □



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# BLUE-LINE NOSTALGIA

Many of the season's hockey books hark back to the good old days

*Gordin Nowak, from Shooting Stars: a pre- and post-expansion career*

BY ANTHONY WILSON-SMITH

At least 50 years in the future, there should be good news for professional hockey executives: by then, most fans old enough to remember a six-team National Hockey League will be dead and gone. Then, hockey—whatever shape it is in—will be judged on its own merits, rather than against the many images of a much different past. But until that time, most discussions of the game will likely be dominated by the hockey version of *The Big One*, with its historians continuing to assert that the Great Ice Age ended when the NHL began expanding from six teams in 1967 to the present 32.

For evidence, consider more than a dozen just-released hockey books. Almost all are devoted to looking fondly at the past, although they fit in so different ways—and with varying success. They range from coffee-table books filled with photographs from other eras to reminiscences of the days when athletes were paid much less—and had much more in common with the people who paid to see them. Some of the season's noteworthy titles:

**Sevenside: The Troubles and Triumphs of the World's Greatest Goalie** (Stoddart, \$29.95), by Dave Dupon, deserves attention beyond sports circles. Before his 1970 death at age 40 from complications following a barroom brawl, Terry Sevenside had established himself as one of hockey's greatest and most humble goalies. Differ, he was a frequent and news drink who ultimately abandoned and shamed members of his family. Still, they loved and supported him. In his remarkable book, Dupon, a sensitive author who also works as a psychiatric nurse in Peterborough, Ont., examines both sides of his subject. A great admirer of Sevenside the player, Dupon persuaded members of his family to co-operatively with him. The result is an unvarnished portrait of a talented, deeply troubled man. The book's real heroes are not hockey players, but Sevenside's loving loved ones.

**On Ice and Men: The Craft of Hockey** (Macfarlane, Walter & Ross, \$29.95), by broadcaster and print journalist Bruce Dewbigen is

another winner. He focuses on four of the game's most successful figures—goalie Dominik Hašek, defenseman Chris Chelios, forward Steve Yzerman and executive Glen Sather—and examines why they have done so well. Dewbigen understands the game and its people, so his subjects behave naturally around him. The result will appeal to any fan, but especially to the cognoscenti who appreciate such a skilled dissection of hockey's inner workings.

Another writer and broadcaster, Brian MacFarlane, is a hockey institution himself, with more than 40 books to his credit. Now he teams nicely with *The Best of It Happened on Hockey* (Stoddart, \$19.95), the fourth in a series of similar books on the game. MacFarlane, who engages his notebook to deliver a series of anecdotes, is like a guy on a terrace who entertains pals with yarns about the players they watch on *Hockey Night in Canada*. MacFarlane is also writing books about each of the Original Six teams, so far, he has completed books on the New York Rangers, Montreal Canadiens, Detroit Red Wings and Toronto Maple Leafs. Any of them are the perfect gift for the armchair fan, accompanied by aches and a sore neck.

Meanwhile, *The Death of Hockey: Or, How a Bunch of Guys with Too Much Money and Too Little Sense Are Killing the Greatest Game on Earth* (Merrilville Canada, \$29.95), by Jeff Z. Klein and Karlene Reid, offers the well-worn and easy-to-justify thesis that the game today has too much clutched-together and too little in the way of offensive fireworks. Although the authors are accomplished journalists—Reid is a published novelist and Klein an editor at *The New York Times*—the charged, ranting tone is like the sort of rant that enrages when buddies spend too much time yelling together at the TV set.

**Scotty Bowman: A Life on Hockey** (Filling, \$39), by Douglas Hunter is a look at the man many consider the game's greatest coach. Bowman, now in the fourth decade of his career, is a complex, close-mouthed figure who has won the Stanley Cup eight times, in Montreal, Pittsburgh and Detroit. Hunter occasionally draws out Bowman's private side—such as the fact that he relaxes at home by

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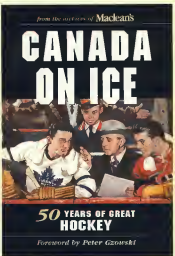
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was using a elaborate media-kit set, but he was unable to interview Brennan, and the book is padded out with analysis of old tapes and games drawn from newspaper clippings.

**Hockey Town: Stories of Small Town Hockey in Canada** (Doubleday, \$29.95) begins with author Bill Boyd warning: "The not interested in hockey as a metaphor for Canadian life." The publicity material accompanying the book disagrees, saying that the book "is exactly what its author claims it is not." That is true—sometimes unfortunately so. The passages evoking towns across Canada with their chilly, aged streets, tough, stoic young men and the infamous, grumpy-older men who coach them are a familiar part of the nation's life. But after a while, the anecdotes, riffs and players seem the same, like a goal replayed on videotape to show it loses its impact.

Hockey has been a major, under sport since most NHL players began wearing protective helmets in the 1970s. But the posed belief that was a golden age for photographers, who could capture fleeting images of the often surreal, torridious players in action. **Slashed on Ice: A Tribute to Hockey's Defining Moments** (Greyhound, \$29.95) by Michael McKinley, is arguably the most original of the season's collectible box in about hockey, with silver-toned photographs dating back to the last century. A nice touch is a well-researched chapter again with remarkable photographs, on women's hockey, starting with a three-time league in Quebec in 1980.



Marcel Pronovost (left) and Johnny Bowser from *The Game We Knew* (shown); Bobby Enns (bottom left) and Bobby Hull from *Hockey's Golden Era: Icons of the Six-Team Era*



Photographer Harold Burdick—who created the NHL in the 1950s and 1960s—and writer Mike Leacock have collaborated on several books that set out to flip through the files. **The Game We Knew: Hockey in the Sixties** (Random, \$31.95) and **Hockey's Golden Era: Stars of the Original Six** (Greystone, \$19.95) are silver-plated. **Edits: The Hockey News: The Top 100 NHL Players of All Time** (Mc-

Clelland & Stewart, \$29.99), edited by Steve Dryden with a foreword by Wayne Gretzky. *The Hockey News*, the weekly bible of the game, polled past and present players and executives for their choices, and the book contains unsurpassed photo selections but some nice anecdotes.

Among writers about *Shooting Stars: Photographs from the Forney Collection at the Hockey Hall of Fame* (Doubleday, \$65), with text by Andrew Podarok. Photographer Lewis Forney used strobe lighting in his 1970s photographs of NHL stars, and the technique gives his work unmatched intensity. The accompanying text by Podarok is filled with narrative that will delight devoted fans, such as the revelation that Wayne Gretzky was not—widespread belief to the contrary—the first NHL player to wear number 99. In 1956-1958, two members of the Montreal Canadiens, Leo Bourque and Joe Lamb, shared the number.

Finally, Maclean's has its own contribution to hockey nostalgia. **Canada on Ice: 50 Years of Great Hockey** (Viking, \$35) includes a foreword by author and broadcaster Peter Gosselin and a collection of the best hockey writing to appear in the magazine in the past half-century. □



# 'Endlessly fascinating' work

A few days before Jack Shadbolt came home from the hospital on Nov. 16, his wife, Diana, and some friends set up a bedroom in the centre of the artist's studio, an enormous, slightly creaky structure that the Shadbolts maintained as a home in Burnaby, B.C. The much-maligned West Coast abstract painter had been suffering from congestive heart disease and was groggy, ill, but Diana wanted him home. The friends installed a hospital bed, night table and reading lamp in the studio, and nearby they mounted some of the 89-year-old artist's work so that he could be surrounded by his painting. One of the pieces, a vibrant red and blue triptych called *After Breathing*, depicts the shadowy forms of butterflies. After Jack was settled in his bed, Diana, herself a noted art critic and curator, whispered to him that the triptych "looked like the butterfly's footprints," a comment that made him smile. Then, 86, knew she had made the right decision to have Jack spend his final days in his studio. "What," she asks, "could be better than dying in the place you spend your life working in?"

On Nov. 22, just before midnight, Jack Shadbolt died of heart failure. An icon of Canadian modern art, his brilliant career as a teacher and painter spanned several decades. "His personality was evident in his work," says Charlie Hill, curator of Canadian art at the National Gallery in Ottawa. "He never looked like he was criticizing any other artist, but he did recognize and appreciate other artists' developments, wedding them to his own vision." Shadbolt's paintings underwent constant metamorphoses, mixing bright visual realities—

Vancouver street scenes—with Vancouver's landscape filled with berries and hawking crows and finally to abstract visions of nature and B.C. Aboriginal art. "I think people will continue to find his work endlessly fascinating," says Scott Watson, a Vancouver art gallery director who wrote a critical biography of Shadbolt. "His paintings offer a deep and entirely peevish peek into the world of the psyche. We live in a disturbing century, and that is what Jack's paintings are about."

Shadbolt was born on Feb. 4, 1905, in Shoburness, England. His father, Edmund, was a sign painter, and his mother, Alice, a dressmaker. In 1912, the family moved to British Columbia, eventually settling in Victoria. From an early age, Shadbolt knew he wanted to be an artist. In the late 1920s, after studying at the Victoria College and Memorial School, he met Emily Carr. "I was dumbstruck with admiration," Shadbolt later said. Carr's renderings of Northwest Coast Indian symbols eventually led to Shadbolt's own exploration of abstract images. But at this time, his paintings focused on what he

called the "dark, intense mills" of industrial landscape. In the late 1930s, he began to teach at the Vancouver School of Art and remained there for 24 years.

Near the end of the Second World War, Shadbolt was assigned to the official Canadian war art units program in London. One of his jobs was sorting through army photographs of concentration camps. Looking at still lifes of emaciated bodies, thin roundabout women, bombed-out London, had a profound psychological impact on the artist. "He painted geraniums," explains family friend Abraham Ragsdale, "but they weren't like Matisse's. They were all the weeds and roots and funny bugs." In 1944, he met Dora Mavor. They married a year later, but never had children.

Shadbolt was a multicultural painter who was influenced by Spanish Pablo Picasso and Joan Miró, and by British artist Graham Sutherland. Over the years, he became interested in the notion of transformation, painting clear-cut landscapes and the intricate phases of butterflies from chrysalises. "Butterflies became a metaphor for him," observes friend and artist Alan Wood. "They expressed the fragility of life." Ragsdale says, "He always had this wonderful spontaneity. I remember him taking photographs of football players painting over them and transforming them into wells."

But despite the bold colors and textures in Shadbolt's canvases, there was also a dark, apocalyptic edge. Disaster would explode, trees would burn. "There was an incredible foreboding in some of his work," Wood says. The darkness provided a visceral chord with the public, and his work was in such demand people would line up the night before exhibitions at Vancouver's B+O Gallery. "Once I was missing, so I invited them in and they slept on the floor," recalls co-owner, Xia Huang. "Jack's paintings really communicated to people."

His community work was inspiring, too. In 1968, he and Dora started VIVA, the Vancouver Institute for Visual Arts, which offered an array of awards to local visual artists—two yearly \$15,000 awards and one \$50,000 every fifth year. He also supported Art for Kids Trust, generating \$200,000 to assist Vancouver-area students.

Shadbolt was planning a new show for April and February, but a few months ago he found he no longer had the strength to work. "What I can't paint, I don't want to live," he told a friend. Yet his position to create, his intense humanity and his robust politics will continue to inspire and engage Canadian art enthusiasts.

JENNIFER HUNTER

Jack Shadbolt had a bold, restless, creative spirit



The painter in 1996: intense colors, textures and art with an apocalyptic edge

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# Allan Fotheringham

## How Ottawa gave big business the keys to power

**T**he sign of a sophisticated country is a skill known literary fraud. The Brits are at it all the time, noted authors slushing and burning via another in London journals, blood flying and reputations trampled.

Good to see some makings of this in the colonies. This season's reveal starts with Sandra Gwyn who, her well-a respected author, in a book review for *The Globe* and *Mail* savages Peter Newman's best-selling *Titus*. Sandra didn't like all those Newman references to the color of Central Black's eyes.

Outraged, Edmonton publisher Mel Hurst writes the *Globe* to complain. Cynthia Good, Newman's publisher at Penguin, writes a letter of complaint that stretches to 589 words. Gwyn then replies to the reply, using up 127 words.

This is all good stuff, a schoolyard spat being the best to watch. But Gwyn did raise the point. Newman, in his usual sly way, amidst all the extended hyperbole about greed and disgusting excess of the rich, slips his knife into the Establishment with one section that should have been front-page headlines. It's the story of how this again, despicable Liberal government takes its orders from powerful businessmen—who then boast about the crap they have pulled off.

Newman makes the case that under Brian Mulroney "Canada's business establishment deliberately began setting Ottawa's political agenda, in effect taking over the country's economic governance." It was, he writes, "the mildest coup d'état in history, dealing as it did with a compliant political authority and a prime minister who was its unqualified co-conspirator."

The figure behind all this is a tall, hairless lad from Nelson, B.C., product of London's School of Economics who worked for three years at Trudeau's Privy Council Office. Tom d'Aquino has never been elected to any public office but, maintains Newman, "near his influence over Canadian public policy that C. D. Howe, even at the height of his wartime powers, would have envied."

d'Aquino runs the Institute on Council on National Issues, with 150 members who control \$1.9 billion in assets and annual revenues of

\$500 billion. At the 1997 Kyoto Conference on global warming, 17 Ottawa deputy ministers gathered to watch his slide show that preached for a reduction in Canada's environmental goals.

It's a very smart, of course, but he's dumb in one regard: he blabbed too much into Newman's tape recorder. BCNI, founded two decades ago by such Establishment giants as CP's Ian Sinclair and Earle McLaughlin of the Royal Bank, after killing off the National Energy Program, set out to "revive" Ottawa's competition bill.

As d'Aquino boasts to the tape recorder, he went to lunch with then Consumer and Corporate Affairs Minister Andre Gauthier and was glibly getting "rid of the Commerce branch and 'put somebody in there who'd be more constructive.'" Outlet: "You've got a deal."

In three years, the BCNI marshalled 35 lawyers and in 1995 produced a 226-page master plan which became Canada's new competition law. It included no provisions for class-action suits, consciousness were just about impossible to prove, prosecutions moved from criminal to civil courts. *As Newman concludes* "It was the only time in the history of capitalism that any country allowed its anti-monopoly legislation to be written by the very people it was meant to police."

Free trade? BCNI spent \$20 million in the largest, most powerful lobby in Canadian history. d'Aquino boasts he turned around anti-free trade Mulroney by running into him on a walk on Access Avenue in Rockcliffe. Modest Tom: "The free trade idea didn't start among the service civil servants at External Affairs. It was ours."

More d'Aquino boasts: Over dinner at a European ambassador's residence on Rockcliffe at 1800, Sky Toys and Joan Christie got into a shouting match after he overheard the Opposition leader saying the "business community of Canada, it's done us in."

d'Aquino shouts: "In fact, you people are not qualified to run *Titanic*!" Once elected PM, Christie called Aquino and asked if he and Alice can drop over to the peak of Aquino house, candelivered over a Rockcliffe lake. As Newman writes, "the two couples spent three hours in pleasant chat. After that, the Prime Minister had little problem implementing the BCNI's agenda."

Newman says that Canada's business establishment, and under d'Aquino's leadership, declared war on governments and, without ordinary citizens being aware of it, Ottawa capitulated: "The rogues of Brian Mulroney and Joan Christie came to agree that what was good for the BCNI was good for Canada."

d'Aquino: "In which period since 1900 has Canada's business community had the most influence on public policy. I would say it was in the last twenty years." Governments have adopted the agenda we've been fighting for in the past two decades.

All that is more important than the color of Council's eyes.



BY GUY WATSON

WINNER OF II ACADEMY AWARDS

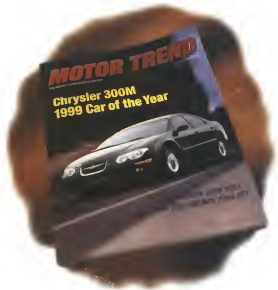
THIS YEAR'S BEST PICTURE  
MAKES THIS HOLIDAY'S  
BEST GIFT



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